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CONTENTS

LABOR

Economist Finds Present Incentive System Inadequate (A. Prigarin; SOTSIALISTICHESKIY TRUD, No 5, May 83)	1
Criteria for Evaluating Management Personnel Examined (O. Burokene; PLANOVOYE KHOZYAYSTVO, No 8, Aug 83)	13
Manpower Management Problems, Experience Reviewed (Yu. Baryshnikov, I. Malmygin; SOTSIALISTICHESKIY TRUD, No 9, Dec 82)	23
Grain Institute Director, Readers Discuss Farm Wages (SEL'SKAYA ZHIZN', various dates)	35
Wages on Experimental Grain Farm, by A. Seleznev Centralized RAPO Funds in Estonia, by Ya. Praggi	
Agricultural Labor Official Discusses Wages, Incentives (V. Zhurikov; PLANOVOYE KHOZYAYSTVO, No 10, Oct 83)	47

DEMOGRAPHY

Perevedentsev, Volodarskiy Discuss Demographic Policy (Various sources, various dates)	58
General Problems Outlined, by V. Perevedentsev Reproduction Versus Growth, by V. Perevedentsev Sociodemographic Survey, L. Volodarskiy Interview	

LABOR

ECONOMIST FINDS PRESENT INCENTIVE SYSTEM INADEQUATE

Moscow SOTSIALISTICHESKIY TRUD in Russian No 5, May 83 pp 42-53

[Article by Candidate of Economic Sciences A. Prigarin, Honored Economist of the RSFSR, under the heading "Material Incentives for Production Development": "Labor Results -- the Basis for Wages to Specialists and Leaders"*)]

[Text] One central problem in further improving the economic mechanism is the creation of a high level of interest in intensifying production and improving its efficiency. Comrade Yu. V. Andropov, CPSU Central Committee General Secretary, writes in an article published in KOMMUNIST, No 3 [1983]: "We have long been developing the system of material and moral incentives for labor. It has served and is serving the struggle for socialism and communism rather well. However, both this system itself and the forms and practices of its use are today obviously in need of further improvement." All are evidently now agreed that the existing system of material incentives does not ensure a sufficiently rigid connection between labor results and wages. The wages of both engineering-technical workers and other workers are determined primarily by their affiliation with a particular occupational-position (or skill) group, rather than by their personal labor results.

The inadequate stimulation of supervisory and engineering-technical workers in industry is reflected especially sharply in the development of industrial production. Significant losses of working time, disturbances in production smoothness, incomplete equipment use and slow growth in efficiency are associated foremost with particular oversights in the activity of workers at all levels of management, with low implementation discipline, irresponsibility, bureaucratism, with the fact that decisions are sometimes made not in the interests of solving problems, but based on various extraneous considerations, and so forth.

It was stated at the November (1982) CPSU Central Committee Plenum that we need to create conditions -- economic and organizational -- which will stimulate quality, productive labor, initiative and entrepreneurship. And the reverse: poor work, inactivity and irresponsibility must have the most direct and irreversible affect on material rewards and on the position and moral authority of workers.

*Published for discussion.

Bringing the salaries of supervisory and engineering-technical workers in industry into line with their results would seem to be one of the basic means of resolving this task.

It should be added that strengthening material incentives on the indicated basis presupposes not only increased wages when higher indicators are achieved, but also reducing those payments (bonuses, additional wages, and so forth) which are at present being paid automatically, even for poor work. Therefore, under present conditions, there is no need for additional funds. We require only a more efficient use of existing wage funds.

At the same time, we must not fail to recognize the complexity of the existing problems. In order to rid ourselves of egalitarianism (in the broadest sense of that word), it is insufficient to eliminate any given partial mistake, to correct an imprecisely formulated provision in any one individual normative document. Unfortunately, it must be stated that egalitarianism has penetrated many elements of material incentives. We therefore need a complex of radical measures in order to ensure a more effective stimulation mechanism while retaining the base which has evolved. In order to do this, we should first of all analyze from new positions the indicators and criteria for evaluating and stimulating and determine optimum amounts of wage differentiation as a function of results achieved.

As is known, all industry engineering personnel (excluding those working at scientific research institutes and design bureaus) can be subdivided into two main groups, although of different sizes. These are production leaders themselves and workers in structural subdivisions of the management apparatus, the so-called functional services.

Upwards of 90 percent of the engineering-technical workers in industry are currently employed in functional subdivisions at all levels of management -- from the shop to the central ministry apparatus. They have a very direct influence on the level of production efficiency. Workers in the functional services, including those not occupying supervisory positions, often have considerable real power at their disposal. Their areas of authority include the allocation of all types of resources, plan formulation and adjustment and technical assistance; they also perform monitoring functions.

But whereas the numerical staff, including in a number of instances what are conventionally called the "sum" or "bulk" of the rights of functional workers and line leaders, is in a ratio of 9:1, their responsibility for end results is often in directly the inverse proportion. Line leaders of all ranks are responsible for literally all aspects of the activity of the collectives they head -- how could it be otherwise? But what are the "functionals" answerable for?

The weakness of their responsibility, which also means their interest, is exhibited most clearly in the organization of the bonus system itself. At many enterprises, bonuses for basic economic activity results are not differentiated at all, either among plant management subdivisions or within them, among workers. Here, egalitarianism holds sway, which could be called "horizontal" egalitarianism -- all workers in the management apparatus are given incentives based on

capital-generation indicators which are generally the same for all and which are at the same time the basic indicators and terms for awarding bonuses.

This practice is all the more harmful the larger the scale of production. After all, thousands of specialists work in the plant services at large enterprises. At the same time, there have been instances in which they have all received bonuses identical to within 0.1 percent. What could be more ridiculous from the viewpoint of payment for labor?

It seems indisputable that a bonus (or, more accurately, the entire variable portion of wages) must be determined by three factors: overall enterprise work results (to ensure a common interest), the specific results of the activity of each subdivision (group interest) and, finally, the worker's personal contribution. Thus, each must be interested directly and materially in the common, group and individual results of his work. But in the indicated instances, there has been practically no interest in group and individual results.

Egalitarianism is harmful and dangerous not in and of itself, but for the consequences it inevitably leads to. No matter how important capital-generation indicators are, they are not inclusive of the final indicators of enterprise operation. The use of centralized capital investments, introduction of new equipment, level of labor mechanization, total fines paid for delivering substandard output, personnel turnover -- all these and many other economic and social indicators are "final" in the direct sense of the word. But if you take the group of indicators describing production organization, such as smoothness, equipment operation shift index, level of labor rate setting, and so forth, although they are in the "second echelon," under today's conditions, they do testify to efficiency as well as does plan fulfillment in terms of profit or labor productivity. And it is for good reason that all the enumerated indicators are generally taken into account when summing up the results of socialist competition at the enterprise, in the branch and nationwide. On the whole, enterprise activity is evaluated based on more than 50 technical-economic indicators. Of course, the fact that there are so many is not the ideal variant, but it would seem that both today and in the foreseeable future, this is the only way to reflect the true results of enterprise operation.

At the same time, the "global" use of capital-generation indicators as indicators for awarding bonuses leads to a situation in which all other aspects of enterprise activity remain outside the material incentives sphere, and functional subdivisions are not fully accountable for the work areas entrusted to them.

The tradition which has evolved over decades has found "legal" consolidation in statutes on the functional services. A check of existing provisions at many enterprises has shown that the section "Responsibility" generally contains such definitions as "the department is responsible for any failure to provide shops with plans on time" or "for failure to meet schedules for submitting reports" and so forth. The NOT [scientific organization of labor] departments, for example, are answerable for only two indicators: technical level of the materials they prepare and ensuring the introduction of department developments. On the other hand, not one department is responsible for such very important indicators as proportion of output in the highest quality category, return on capital, shift index, turnover, or many others. Entries of the "department bears the

responsibility for failure to carry out planned measures concerning..." type are also purely formal. The essence of the matter is that the activity of a personnel department, for example, must be evaluated not based on steps taken to create stable collectives, but based on the actual level of personnel turnover; mechanization (or technological) departments must be answerable not only for fulfillment of the technical measures plan, but also and directly for the level of labor mechanization, and so on.

The basic statutes on awarding bonuses to industry workers for basic economic activity results (1977, refined 1980) provide an opportunity to approach the organization of bonus awards applying precisely this standard. As distinct from documents previously in effect, the "Basic Provisions" point out that bonuses are awarded to workers in an enterprise management apparatus "with consideration of the results of the activity of a structural subdivision of the management apparatus or individual labor indicators" (article 3.3), that the indicators and conditions for awarding bonuses are established "with consideration of the specific functions performed by individual categories of workers" (article 3.8) and so on. While directing that indicators used to form material incentives funds must be established as the basic indicators for awarding bonuses to the supervisory workers of associations and enterprises, the "Basic Provisions" do not automatically extend this principle to the entire management apparatus, granting corresponding rights to enterprise leaders.

Consequently, it is precisely those leaders who do not use the opportunities granted them by the "Basic Provisions" who bear the primary responsibility for wage-leveling bonus awards. This responsibility must be fully shared with those enterprise and ministry labor specialists who take a neutral position on this most critical question in order to avoid extra worries.

However, the "Basic Provisions" also require further improvement, in our view. They still stress the fact that workers in the management apparatus are given incentives "for work results for the enterprise as a whole" and that "the indicators and conditions for awarding bonuses to engineering-technical workers and employees must be linked to the indicators and conditions for awarding bonuses to enterprise supervisory workers." There is no instruction that the results of the activity of structural subdivisions should be understood to mean achieving appropriate technical-economic indicators. If, moreover, consideration is given to the recommendation that the number of indicators for awarding bonuses should be a minimum, then one can understand (although not excuse) why workers in all plant management departments are in many instances awarded bonuses only on the basis of capital-generation indicators.

The somewhat two-faced nature of the "Basic Provisions" is also reflected in the systems developed in a number of branches for evaluation and stimulation, which are directed specifically against egalitarianism and irresponsibility. The most famous of these is the defect-free labor system (SBT), which is called upon to ensure a differentiated awarding of bonuses. However, it takes into account primarily such indicators as production discipline, the quality of the documentation developed, absence of claims by other subdivisions, and so forth, which essentially do not concern economic indicators. Moreover, all SBT evaluations are additional bonus conditions, that is, they operate only as "minuses," lowering bonus amounts as calculated for those same capital-generation indicators. As a result, the incentives system is transformed into a sanctions system.

One bonus system variant which has spread in recent years could be called the "set" variant.¹ It anticipates calculating approximately half the calculated (base) bonus for management subdivisions' meeting capital-generation indicators common to all and the remainder -- the sum of the bonus percentages previously set for meeting two to four specific indicators.

One shortcoming of this system is the poor differentiation of the bonuses. If a plant has met the basic indicators, then no matter how poorly a department has worked, it is guaranteed half the calculated bonus. Even given nonfulfillment of such an important indicator as output net cost, for example, the calculated bonus is reduced by a maximum of one-fourth for the department answerable for this indicator (in this case, the PEO [economic planning department]). Thus, even if the best department receives the maximum bonus amount of 50 percent, that is, an average 1.5-fold salary per worker, a department which has not met a single one of its own basic indicators, that is, those for which it was in fact created, receives an average 1.37-fold salary, and the worst department receives 1.25-fold. As a result, the final wage in the best department can exceed the wage in the worst by only 20 percent.

In radio industry, a system for the comprehensive evaluation of activity results (KORD) has been introduced at nearly all enterprises; it evidently actualizes most systematically the principle of awarding bonuses to structural subdivisions using precisely those indicators for which they are responsible. Under the KORD system, the activity results for each subdivision are used to determine an integral indicator which supplements the other indicators for awarding bonuses. In this instance, the bonus amounts for the subdivisions fluctuate between 10-15 and 50 percent. However, even this differentiation is inadequate, experience has shown.

The solution is evidently to assign to each functional subdivision at every level of management final technical-economic work indicators conforming to their specialization and to evaluate (stimulate) their work foremost using those indicators. They must also become the basic indicators for awarding bonuses. In principle, there should not be a single shop, enterprise or other operation indicator for which one of the functional services would not bear responsibility. And as concerns the most general indicators (capital-generation indicators at the enterprise level), it would be appropriate to use them as the basic (or supplemental) conditions for awarding bonuses for all services in the management apparatus.

It would be appropriate to make corresponding changes in the "Basic Provisions" on awarding bonuses. In particular, instead of "bonuses are awarded...for the work results of the enterprise as a whole, with consideration of the activity results of the management apparatus structural subdivision...", the wording should be "bonuses are awarded for the work results of the management apparatus structural subdivision with consideration of the activity results of the enterprise as a whole."

¹See, for example, P. Dubovoy and R. Gorel'nikova, "Perfecting the Awarding of Bonuses to Engineering-Technical Workers and Employees of the Enterprise Management Apparatus," in SOTSIALISTICHESKIY TRUD, No 11, 1982, pp 44-49.

The principle of differentiating indicators for evaluation and stimulation should also be extended to another two large categories of management apparatus workers. First, to the enterprise deputy directors, PEO and OTK [technical control department] chiefs and chief accountants, that is, those leaders whose bonuses are set by a superior organization. Second, to workers in functional administrations of the ministries. If each of these administrations is set very specific tasks, we would succeed in improving the specific final technical-economic indicators of branch work, that is, in creating an objective basis for instituting effective systems for awarding bonuses to specialists in the branch staff. And it is now quite clear that increasing the responsibility for work results among workers in the higher links of the functional administration has become a vital necessity.

The effectiveness of material incentives depends not only on established indicators, but also on those criteria by which they are evaluated. Each of the technical-economic indicators, be it labor productivity, production smoothness or proportion of technically substantiated norms, can be described by three or four parameters: level of plan fulfillment, dynamic as compared with the base period, relationship to an established norm, as well as relationship to average norms, as for example, branch averages.

Selection of a criterion is determined to a significant degree by the nature and orientation of the material interest of the workers and, correspondingly, their actions. Today, in spite of criticism in the special literature and the mass media, practically the sole criterion for evaluating technical-economic indicators remains level of plan fulfillment. This leads to the well-known conflict between the interests of collectives at various levels (shop and enterprise, enterprise and branch), since each of them is directly interested in obtaining minimal plan assignments for the whole range of indicators. It would, however, be tolerable if, after approval of the plan, even a minimal one not reflecting all opportunities, the leaders and collectives strove to overfulfill it to the maximum, to make full use of internal reserves. At the same time, it is generally recognized that this does not occur. Leaders at all levels are comfortable thinking of the optimum level of fulfillment of any indicator as being 100.5 percent, to a maximum of 101 percent of the plan assignment.

Two main restraining factors are operating here. First, plan overfulfillment offers practically no material incentive (evidently a decision made counting on greater collective interest in adopting higher plans, which did not turn out to be justified). Second, planning is done based on levels achieved, as a result of which, while substantially influencing the work evaluation, plan amounts themselves depend on the results of activity in the preceding period. A vicious circle is created: you get a plan with the least increment over the preceding year and carry it out with the least overfulfillment so that you will again get a minimal plan the following year.

The consequences of this rotation are graphically demonstrated using a simple formula. The rate of growth in any indicator (which we shall designate by the fraction $\frac{\text{actual } 83}{\text{actual } 82}$) will in the end depend on two components, the rate anticipated by the plan, that is, the ratio of the current year's plan to the actual results last year ($\frac{\text{plan } 83}{\text{actual } 82}$), and on the level of plan fulfillment ($\frac{\text{actual } 83}{\text{plan } 83}$).

$$\text{Thus, } \frac{\text{actual 83}}{\text{actual 82}} = \frac{\text{plan 83}}{\text{actual 82}} \times \frac{\text{actual 83}}{\text{plan 83}} .$$

But if the existing criterion for evaluating indicators interests economic leaders -- from foreman to minister -- in limiting each of the components in order that it only slightly exceed one, they are also clearly interested in limiting the end result as well. The simple, but evidently not yet widely recognized conclusion follows that the existing system for evaluating and stimulating the labor of leaders and collectives based on level of plan fulfillment is actually directed counter to high rates of development and retards them.

A final shortcoming of the plan as a criterion is that assignments are frequently adjusted in the course of a year, that they are not stable and are influenced by subjective factors.

In order for enterprises not to fear adopting taut plans, a minimum of two conditions must be met. First, bonuses must be paid even if taut plans are slightly underfulfilled, and second, they must not only be paid, but must be paid in such a way that the bonus amounts for underfulfillment of a taut plan are higher than the amounts for fulfillment of a plan that is not taut. However, the very admission that fulfillment of one plan by 99 percent could be better than fulfillment of another by 101 percent signifies that percentage of plan fulfillment has ceased to be an evaluation criterion. In this instance, how could it be determined that 99 percent is actually better than 101 percent? There is obviously only one way, by considering not only percentage fulfillment, but also level of plan tautness. In this regard, let us leave aside the difficulties connected with elucidating the tautness of plan assignments. The primary thing is that, when establishing the actual level of plan fulfillment with consideration of its tautness, there is no necessity of separately stimulating the initial adoption of a taut plan and then its overfulfillment. In fact, the proportion given above is a partial manifestation of the general formula. Given that A is the actual result, B is the plan and C is the indicator by which plan tautness is evaluated, then $\frac{A}{B}$ is the level of plan fulfillment and $\frac{B}{C}$ is plan tautness.

The level of plan fulfillment with consideration of plan tautness would then equal $\frac{A}{B} \times \frac{B}{C} = \frac{A}{C}$ for any given indicator.

It follows from this that it is simpler, more effective and more reliable to evaluate and stimulate the end result -- actual change in an indicator as compared with the reference point adopted -- immediately. In other words, we need to stimulate not plan fulfillment in terms of labor productivity growth, but labor productivity growth itself, not plan fulfillment in terms of reduced net cost, but the reduction itself, and so on.

Given such an approach, we think full coincidence of the interests of individual collectives and society as a whole would be achieved in this sphere of relations. The choice of an optimum criterion for evaluating the level and dynamics of each of the technical-economic indicators depends on the nature of the given indicator. It is important, however, that whether the level of the indicator in the preceding period is a branch average or a normative level, we will in either instance

be obtaining data on the actual movement of the indicator, that is, a "factual" evaluation.

Thus, it would seem that the only method for effectively stimulating the adoption of taut plans is to reject evaluating "by plan." It needs to be retained only for those quantitative indicators which reflect the meeting of enterprise obligations to the branch or country as a whole (as, for example, plan fulfillment in terms of the most important products list) or directly to consumers (carrying out agreements in terms of deliveries).

And one more thing. A "factual" evaluation is absolutely objective in the sense that it introduces a measure which is the same for all, without exceptions, and which cannot be changed either as a result of "haggling" when working out the plan or through downward adjustments during its implementation, much less after completion of the plan period.

The awarding of bonuses for actual improvement in indicators must be progressive in order that it be more advantageous to ensure, for example, a 10-percent increment in one year than to ensure an increment of five percent for each of two consecutive years. Under these conditions, the bulk of the so-called objective factors allegedly hampering production development would immediately fall away.

It is usually thought that when evaluating based on growth rates, the best enterprises turn out to be in the worst position, since they have already actualized the bulk of their opportunities, but that is unjustified. In actuality, bonuses will be higher for collectives "catching up" than for the leading collectives, which have stabilized their indicators, for a time, but it is quite a bit more advantageous for society to pay high bonuses to lift up lagging production facilities than based on an abstract concept of the fairness of suffering their existence for years on end. And how is that unfair? Which is easier, to keep a smooth-running production facility at a prescribed pace or to eliminate lag? Moreover, we should remember V. I. Lenin's words that, "...when the reference is to distribution..., one must not think the distribution need only be fair, but should think that distribution is a method, a tool, a means of increasing production."¹

The establishment of precise "own" indicators and optimum criteria for evaluating the work of each structural subdivision creates a basis for eliminating leveling when determining the size of bonuses for specific workers as well. The current incentives mechanism needs improvement in this area as well. Thus, the "Basic Provisions on Awarding Bonuses" anticipate that a bonus calculated for a worker for enterprise fulfillment of indicators and conditions can be raised or lowered with consideration of the quality of his labor, his personal contribution to the overall results and the socialist competition results by not more than 25 percent. Higher bonus amounts can be withheld only from those workers guilty of so-called production mistakes, a list of which has been established ahead of time. But, since neither lack of initiative nor inactivity nor, finally, incompetence is to be found directly in the list of production mistakes, poor workers and even

¹V. I. Lenin, "Poln. sobr. soch." [Complete Collected Works], Vol 43, p 359.

idlers are guaranteed quite a high bonus given successful work by the collective as a whole.

Opportunities for encouraging the best workers are also clearly small. In fact, increasing the bonus by 25 percent, even given an average bonus level of 40 percent for the department, means only a 10-percent addition to their salaries. The indicated restriction must therefore be eliminated, with a corresponding broadening of the right of enterprise and enterprise subdivision collectives to have bonuses they have earned. It is similar to production brigades, with their right to set labor-participation factors for each worker. From this point of view, it would be appropriate to indicate in the "Basic Bonus Provisions" that a bonus for basic results is to be calculated for the structural subdivision as a whole, with subsequent distribution among its workers as a function of their personal contributions to the overall results. In this regard, workers making the greatest contribution could have their bonuses doubled over those of the average percentage for the subdivision, and workers who have not been a positive force would not have bonuses calculated at all.

Line leaders are in a special position. It is as if the shortcomings of the whole system of awarding bonuses which is now in effect were focused in how incentives are provided this group of workers. Like the functional subdivisions as a whole, they are awarded bonuses for just three or four capital-generation indicators which are not linked materially in any way to the remaining indicators of production efficiency or work quality, and they are affected especially sharply by all the shortcomings stemming from their labor's being evaluated based on level of plan assignment fulfillment. Every possible restriction on bonus amounts extends to line leaders, even more so than those on ordinary workers.

Finally, paradoxical as it may seem, subjective evaluations influence the bonuses of enterprise directors more than the bonuses of their subordinates, which is to be explained by the fact that, although a majority of the technical-economic indicators are not formally included among the indicators and conditions for awarding bonuses, superior organizations (industrial associations or main administrations) must take their status into account. Bonuses calculated for leaders on the basis of established indicators are therefore often lowered for particular shortcomings.

Two factors are characteristic of this. First, the calculated bonus is often reduced, but never raised. Second, there is full scope for subjectivity in the decisions of the leaders of superior organizations, both in terms of amount and in terms of frequency of reducing bonuses. We know of a case in which the chief of one main administration did not pay the "full" bonus amount to a single one of the directors of his subordinate plants once in the course of a year. At the other pole are leaders who reduce bonuses to subordinate directors only in extreme cases. But on average for a large number of enterprises surveyed in 1982, only 13 percent of the leaders received bonuses conforming to the established indicators, while bonuses were reduced for the remainder.

Although such voluntarism strengthens the actual power of leaders of all ranks, it also deprives the bonus system for directors of any definiteness. There is only one way to eliminate this shortcoming. We need to formally introduce all

the primary technical-economic indicators as indicators for awarding bonuses to enterprise leaders. But, since the number of such indicators is so large, we should switch to an integral quantitative evaluation permitting reflection of all aspects of enterprise activity in one summary indicator (coefficient).

Rejection of the principle under which bonuses to enterprise leaders must not exceed the average size of bonuses to workers in the subdivisions (enterprises) led by them would be a radical measure for strengthening material incentives to them (including leaders of functional services as well). This restriction, which is purely social in nature and which at one time was fully justified, should be looked at somewhat differently today. It would be appropriate to set up a situation in which bonuses to leaders would progressively increase if subordinate subdivisions achieve high indicators or would be reduced as compared with the average bonus for the subdivision as a whole if indicators deteriorate. Such an approach, while not putting leaders in a privileged position, would facilitate substantially increasing their personal responsibility for the end results of the work of subordinate collectives.

Making wages rigidly dependent on labor results and the consequent elimination of egalitarianism in all its manifestations would unquestionably lead to increased wage differentiation. However, this differentiation would be individual, rather than social, in nature. In this regard, it should be clearly understood that the bond between them still cannot be based entirely on a direct proportion, on how great are the differences in the end results of individual labor. Successful work by a shop technologist or rate setter means hundreds of rubles in savings each month, by a plant-service line engineer -- thousands of rubles, and a worker in the ministry central apparatus could provide society with tens of thousands of rubles in savings each month. In this regard, leaders naturally have several times more opportunities. On the other hand, what do wrong management or engineering decisions, inadequate effectiveness and simple inactivity cost the state?

The question of the limits within which an individual wage must fluctuate given equal "rate-generating" factors (position, length of employment, region, branch, and so on) but different labor results must become a topic of particular discussion. However, in comparison with today's limits, the new ones will have to be considerably broader. The creation of a high interest which would "outweigh" the forces of inertia and repose would seem to necessitate that the final wages of workers in identical position categories (or of one worker in different periods) fluctuate within a 1:2 minimum limit, more in individual instances, depending on work results. In order to actualize this gap, we should in turn alter the relationship between the constant (guaranteed) and variable portions of the wage, bringing the variable portion to 50 percent of the total wage.

The traditional point of view, that the rate portion of the wage structure must average at least 80-85 percent, needs to be re-evaluated from this position. A persistent view has evolved, that effective state wage regulation is possible only on this condition. At the same time, it is appropriate to regulate not the levels of the individual wages (although possibly upper limits on them could be set), but the average wages for individual rather large groups of workers (social, regional, and so forth).

Two circumstances currently limit the opportunities for sharply differentiating bonuses. The first is associated with the setting of the so-called "base" bonus amount, that is, the bonus paid for fulfillment of the basic indicators and conditions for awarding bonuses itself, at an extremely high level. This practice is widespread. An analysis of the bonus regulations of a considerable number of enterprises has shown that the base bonus at more than half is 35 percent of the salary or more and that there are practically no enterprises where that figure is 25 percent or less.

The high base bonus percentage is "charged" with a number of negative consequences. The struggle over the plan grows heated as the interest of enterprise leaders in less-taut assignments intensifies. There are fewer opportunities for using additional bonus indicators. And from the viewpoint of possible differentiation of payments as a function of results achieved, the practice of calculating close to maximum bonuses just for plan fulfillment leads to a situation in which the bonus either is not paid at all (for a very few enterprises) or is right at the maximum. Thus is born "vertical" wage leveling. We therefore need first of all to calculate bonuses from "zero" and to use the entire range of the bonus scale.

We need to re-examine the question of upper bonus limits as well. The appropriateness of limiting payments under special bonus systems (and of considerably reducing the number of such systems, including the inclusion of some of them in the basic bonus system) is beyond doubt. No matter how important export deliveries, scrap metal sales and other items are, the bonuses paid for successful work along these lines must not even approximate in amount the main bonus, that for basic economic activity results. Limiting this bonus to six months wages (50 percent of the monthly salary) means that an "ideal" worker, who always receives the maximum bonus, could earn only 1.5 times as much as the "worst" worker, that is, a specialist at the same position level who never receives a bonus. As was already noted, this difference clearly does not reflect the differences in labor results and is thus inadequate to organize effective incentives.

The necessity of increasing the variable portion of the wage structure for leaders and specialists unavoidably poses the question of making the rate (salary) portion of the wage mobile as well. Possible resolutions of this task have been enumerated in an article by Ye. I. Kapustin¹ which proposes, in particular, the systematic extension of piece-work wages to engineering-technical workers, with corresponding wage gains or losses as a function of changes in production indicators.

Current practice already indicates the sectors in which such a "break-through" could be made in the near future, at least experimentally. These would be mixed-composition production brigades which include engineering technologists, machinists, foremen, and so on, as well as workers. The number of such brigades is growing as collective forms of labor organization and incentives develop, and they are proving highly effective. However, their broad dissemination is being delayed by differences in the wage system for (piece-rate) workers and (time-

¹SOTSIALISTICHESKIY TRUD, No 4, 1981, p 67.

rate) engineering-technical personnel, since in this instance only the bonus gets into the "common pot," and a unity of interests is not fully ensured. But the difficulties which must be overcome to extend piece-rate wages to engineers in brigades are not fundamental, but rather accounting, in nature, in the form of some increase in technological (but not full plant) labor intensiveness and in wage rates (but not the wage fund).

The introduction of "floating" salaries is another question whose time has come. It is with full justification that some think the "prongs" of salaries must be considerably wider, as was noted in particular by many people who wrote in discussing I. Andrianov's article "On Further Improvement in Wage Organization in Machinebuilding." In this regard, they pointed out the necessity of gradually increasing the wages of specialists remaining in the same positions (as their knowledge and experience increase). At the same time, the "prongs" of salaries can be easily used to make the salaries of specialists more dynamic, moving bilaterally as a function of labor results. In this instance, we obtain a clear sequence of evaluation and stimulation which ensures continuity: the monthly and quarterly evaluations for the purpose of awarding bonuses; the semi-annual (or annual) certification, proposed by Ye. Kapustin, using a simplified procedure -- as salaries change within the "prongs", and once every three years, a "fundamental" certification in accordance with the regulations already in effect -- as workers move into other position categories.

Some practical experience has already been accumulated in this: suffice it to recall the Kaprovskiy system, or the less well-known "Pulsar" system used in Lvov. And, although there are still more skeptics than fans, many elements of these systems could doubtless be used in all branches of the national economy.

If we were to summarize the proposed system of measures, the primary elements would reduce to the following.

Increase the responsibility and interest of workers in functional services at all levels in improving the whole complex of indicators for shops, enterprises, associations and branches by distributing these indicators so as to assign them to each service in accordance with its specialization. To this end, broaden the range of indicators for awarding bonuses to line leaders.

Eliminate the current interest of leaders and collectives in adopting understated plan assignments by instituting the evaluation of each indicator directly on the basis of its level or rate of growth.

Sharply intensify the differentiation of wages for engineering-technical and supervisory workers as a function of the concrete results of their activity.

Today, like five decades ago, rates decide everything. The material incentives system must become one of the most powerful engines of intensive, dynamic development of our economy.

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LABOR

CRITERIA FOR EVALUATING MANAGEMENT PERSONNEL EXAMINED

Moscow PLANOVOYE KHOZYAYSTVO in Russian No 8, Aug 83 pp 112-116

[Article by O. Burokene, candidate of economic sciences, Kaunas: "Evaluating the Work Performed by Specialists of an Enterprise's Management Apparatus"*)]

[Text] One of the main problems in the area of management economics is the improvement of methods to evaluate the effectiveness of administrative work. The timeliness of this problem is related to the increasing technical level and scale of production, which result in the fact that the national economy has a significantly higher proportion of specialists, and especially engineering-technical workers and other white-collar workers, who fulfill management and technical functions at the production unit. In industry the volume and complexity of the work which these people perform is increasing. And the role of management functions at the enterprise level is growing significantly. In addition, questions of evaluating the effectiveness of management work are closely related to the organization, measurement and remuneration of that work.

However, it is not a simple matter to verify and evaluate such work. This requires improvement in the methods for evaluating labor effectiveness on the basis of objectively comparable indicators.

The evaluation of work performance is a very important criterion for an employee's personnel rating. It makes it possible to determine whether an employee can fulfill a given function, it can help to reveal his innate or acquired capabilities to perform specific jobs, as well as other inclinations and inadequacies. And, this, in turn, makes it easier for a person to choose work which is compatible with his personality, knowledge and capabilities, and it helps him to decide the area in which he would like to increase his knowledge and improve his skills.

*By way of a formulation

Much literature and many documents have been published on norm setting and the evaluation of engineering labor. For example, the staff members at the Scientific Research Institute of Labor, which comes under the USSR State Committee for Labor and Social Problems, have developed a significant number of norms for determining the number of management personnel; they have established time norms for the performance of particular jobs, and they have worked out methods for evaluating the influence of socio-economic factors on the growth of labor productivity, etc.

The evaluation of work effectiveness involves more than just a statement of an established fact. It has a moral and material effect, and it touches in a sensitive manner upon the interests of specific people; it arouses various emotions and to a certain degree it can influence a person's self-determination in his choice of a speciality. For this reason particular attention should be directed to the objectivity and specificity of the evaluation methods used to determine the effectiveness of labor results. The method must be comprehensible to the manager (that is, to the person who is doing the evaluating) and to the person who performs the work. And it is precisely these qualities, in our opinion, which are lacking in the existing methods for evaluating management work. And it is possible that this is why they have not found broad application at industrial enterprises.

At the present time there are three methods--the subjective, statistical and analytical--which are used in the development of norms for the performance of management activities, and each of these has negative aspects.¹ The most progressive, in this author's opinion, is the analytical method, because it is based on direct study of the time expended per unit of work, but in view of its great labor-intensiveness, it is effective for the setting of specific norms only for work which is frequently repeated. Other authors also emphasize the inadequacies of evaluating on the basis of norms. However, these norms do constitute a basis for evaluation, and they are used when determining the labor productivity of enterprise managers and specialists.

As a rule, the labor expenditures of management personnel are accounted for in units of time and are judged on the basis of these units. And norms for labor expenditures are calculated in the same way. The influence of socio-economic factors on the growth of labor productivity and on the number of managers and specialists is determined on the basis of these norms. But are they really able to reflect a person's true labor expenditures?

1. See G.E. Slezinger, "Sovershenstvovaniye protsessov upravleniya predpriyatiyem" [Improving the Processes of Enterprise Management], Moscow, "Mashinostroyeniye," 1975, p 167.

One can determine the duration of work, as of any other process, by means of time units; however, in our view, labor expenditures cannot be expressed in terms of these units. The duration of work and the quantity of labor expenditures are different properties of the labor process. The time taken to perform the same job varies with different specialists, and it fluctuates within a fairly wide range. For example, we found in the course of our investigation that the time it takes for various people to write out 100 symbols by hand on a document differed by a factor of three, given identical labor expenditures.

The quantity of human labor expended during a certain time (C) depends on its productivity (K) and the duration of the work (T):

$$C = KT; \text{ or } K = \frac{C}{T}. \quad (1)$$

If labor expenditures and the duration of the work period are measured in time units, then productivity will prove to be a dimensionless value, and this contradicts the essence of the concept of labor productivity. From this there follows the conclusion that labor expenditures should be measured with other (in our view, natural) indicators and the search in this direction should be continued.

For this it is essential to divide management labor (a specific type of work) into its components, i.e., elementary operations. Under the latter one should understand the smallest, separable parts of management labor with definite content and a minimal quantity of natural indicators.

Breaking down management labor according to this principle has made it possible to reveal that the vast and diverse work of an enterprise's management apparatus consists of a comparatively small number of elementary operations, but they have different quantitative (natural) indicators and depend on performance technique. But while the labor expenditures for the performance of each elementary operation can be measured separately in natural units, the volume of these expenditures required for the fulfillment of specific administrative work consisting of several different elementary operations (for example, filling in a document) cannot be measured without a generalizing universal measure.

This indicator, in our opinion may be a unit, which designates a certain quantity of socially necessary labor expenditures for the performance of the most frequently repeated and well

assimilated operation of management labor--the writing out of 100 symbols by hand on a document. We will call this unit a "sig." This universal unit for measuring labor expenditures can be used

to evaluate in a comprehensive manner the work results of individual employees and of their collectives at the level of production sectors, shops, enterprises and ministries on the basis of objective comparable indicators, regardless of their location, departmental affiliation, production structure or cooperation level.

In order to have the opportunity to measure any labor using the universal measure of labor expenditures, it is essential to work out a unified system of norms for labor expenditures for the performance of elementary operations. Norms for elementary operations can be determined experimentally or through calculations. In the process of developing them it is advisable to use both methods and to compare the data from them. Using the experimental method, norms should be determined under actual production conditions with the aid of tests and time-keeping measurements, for which the same employee must complete no fewer than two tests on different, identically mastered elementary operations (one of which is a control).

The introduction of a universal measure has made it possible to work out a simple new method for determining labor expenditure norms for the performance of elementary operations, a method which reduces many times over the labor-intensity of the experiments and calculations used in developing a unified system of norms for management operations.

Table 1 provides an example of the computations of the labor expenditure norms for the calculation of objects and their measurements in unified indicators (in "sigs"). For all employees the labor expenditures for the writing out of 100 symbols by hand (the control operation) was taken as one sig. First, productivity was calculated according to formula (1), and then proceeding from the length of time taken to perform the operations under study, the labor expenditures for them were calculated in standard units. The labor expenditure norm for the performance of the operation under study is determined on the basis of the values obtained according to the laws of mathematical statistics theory.

This method differs from those being used in that the influence of subjective factors (intensity, nervous-psychological adjustment, qualifications, etc.) is excluded during the process of determining the labor expenditure norms; consequently, the reliability of the results is increased. Moreover, in comparison with the calculation of time units to determine the value of the norm (in sigs), the quantity of necessary observations is reduced more than 10-fold.

Table 1

Position Under Study	Worker's Productivity sig/sec.	Control Operation Length of Time to Write Out a Text by Hand (100 symbols), sec.	Operations Under Study			
			Calculation of Objects (100 Objects)		Measurement of Objects (14 Measurements)	
			Duration of Work, sec.	Labor Expenditures sig	Duration of Work, sec.	Labor Expenditures sig
Warehouse Man	0.0885	113	177	1.57	336	2.97
Technologist	0.01020	98	140	1.43	360	3.67
Engineer	0.01754	57	85	1.49	178	3.12
Engineer	0.00952	105	175	1.67	316	3.01
Technologist	0.01449	69	85	1.23	180	2.61
Technologist	0.01031	97	150	1.55	226	2.33
Norm Setter	0.01613	62	90	1.45	221	3.56
Norm Setter	0.01613	62	108	1.74	191	3.08
Norm Setter	0.01724	58	101	1.74	170	2.93
Total:		721	1111	13.87	2178	27.28
Average Value for the Indicator	0.01248	80.1	123.4	1.54	242	3.03
Difference Between Values (Maximum-Minimum)	0.00869	56	92	0.51	190	1.34
Percent Difference from Average Value	69.6	69.9	74.6	32.7	78.5	44.2

The separation of the work performed by administrative personnel into elementary operations and labor expenditure norms for the performance of the elementary operations is the basis for the measurement of the volume of administrative work. But when evaluating the work effectiveness of the management employees themselves, it is essential to take into consideration not only the quantity of work but also the skills of the workers, the complexity of the work, the quality of the labor, etc.

As work becomes more complex, there is gradual growth in the quantity of information required to perform it, and the significance of the results increases. The following are taken into account when determining the categories of complexity: the quantity of work-related information, the degree of significance which the results have, the employee's responsibility for the performance of the work, and the number of alternative solutions. Let us emphasize that complexity is determined not on the basis of elementary operations, but on the basis of specific jobs, which can consist of several operations. For each category of complexity the limits on the volume of required information have been determined.

But an evaluation of the effectiveness of workers' activities requires that attention be paid not to the complexity of the work itself but to its suitability to the person occupying the position.

If we divide the positions of workers engaged in management functions at an enterprise on the basis of their qualifications and the quantity of information which is processed into five categories, then people who occupy positions in the first category must have a general secondary education, in the second category they must have a specialized secondary education, in the third category they must have two secondary specialized educations or an incomplete higher education, in the fourth they must have higher education and in the fifth they must have two higher educations.

As the complexity of work increases, especially the complexity of work related to the selection of optimal alternatives (the preparation of instructions and orders, the search for the best technical solutions, etc.), the number of possible alternatives for its performance usually grows.

It is essential that the official tasks of management workers be fulfilled promptly and thoroughly. Inattention and the lack of knowledge or practical skills on the part of those carrying out the operations are the reasons for errors and inaccuracies in work; they have various consequences which are reflected in the technical-economic indicators of enterprises. It can be said that the extent of the damage caused by an accidental error determines as well the significance of the specific work and the responsi-

bility for its fulfillment. In the case of a mistaken instruction, workers' time is lost. The higher the level at which mistakes are made, the more significant are the labor losses because highly-skilled employees are required to expend their efforts unproductively on the correction of the mistakes.

On the basis of the above-mentioned features the operations being performed are divided into five categories of complexity in the following manner. The first category includes jobs for which a secondary education and the completion of short courses is sufficient; the results of the work are used only by co-workers in the same structural subdivision. This group of jobs includes the compilation of primary documents with employees of the same subdivision monitoring the accuracy with which the work is done. The results of this work can also be used by other subdivisions, but only after they have been checked and approved by specialists at a higher level (for example, filling in gaps in journals, maintaining storage lists, registering documents, filling in workers' time charts etc.).

The second complexity category includes work for which the person performing it must have a specialized secondary education. The results are transmitted as information to other structural subdivisions at the same level or they become instructions for blue-collar workers. They include: systematizing primary documents, calculating indicators and logical monitoring of those indicators (lists of products handed over to the warehouse, orders for obtaining salaries, summaries of stoppages, workers' assignments, etc.).

The third category includes work for which a person needs to have business-related knowledge in two parallel specialties at the level of a specialized secondary education. The results of this work are used as information by heads of departments and senior specialists (such as instructions by shop heads, the compilation of documents on the release of output to other organizations, the preparation of materials for the establishment of prices for goods, etc.)

The results of work which belongs in the fourth category of complexity are used by enterprise managers and department heads of higher organizations for the preparation of instructions, orders and for supervision. These are operational summaries about the course of production and the sale of output, notices, reports, etc.

The fifth complexity category should include work on the compilation of documents which contain information for summaries on the national economy, i.e., filling in statistical reports, monitoring and approving banking documents, writing reports,

explanatory notes and orders for chief specialists and department managers, etc.

When determining the complexity of work on the compilation of technical documentation, it is essential to devote attention to the number of possible alternatives. Monitoring for complexity comes under a category which is one gradation higher than work which is monitored. The average category of the functions performed by specific workers is determined by generally accepted methods.

It is important to determine whether the complexity of the functions which a worker is performing are in line with the category of his position. The "alignment factor" (the coefficient of correspondence between the work being performed and the position of the employee (K_a)) is defined as the ratio of their complexity categories. This indicator is comparable, objective and can be taken into account when the labor of management personnel is being evaluated.

In determining the quality indicator, the relationship of benefit to harm which the employee brings to the enterprise in his work is taken as the basis. In this way the interests of the employee are combined directly with the interests of the enterprise or the state. In addition, consideration is given to the benefit derived from high quality work and the damage from poor work, and the additional savings obtained as a result of the worker's initiative and creative work. The quality coefficient (K_q) is determined on the basis of the ratio of benefit which the employee provides the enterprise and the expenditures to maintain him in his position.

The generalized coefficient for the effectiveness of a management employee's work (K_e) in the position which he occupies is calculated according to the formula:

$$K_e = K_s K_a K_q K_p \quad (2)$$

where

K_s is the worker's load coefficient;

K_p is the worker's labor productivity.

An example of the calculation of the work effectiveness for certain personnel is given in Table 2.

Table 2

Position	Worker's Actual Rate of Employment	Worker's Produc- tivity	Work Quality Coeffi- cient	Coeffi- cient of Corres- pondence between Work Com- plexity Cate- gories and Posi- tion Occu- pied by Employee	Coefficient of an Em- ployee's Work Effective- ness
Economics Engineer	0.98	0.39	0.45	0.91	0.157
Foreman	1.22	0.87	0.93	1.00	0.986
Norm- Setting Engineer	1.08	0.78	0.97	0.96	0.777
Norm Setting Engineer	0.93	0.17	0.99	0.60	0.094
Tech- logical Engineer	1.01	0.77	0.76	0.80	0.472
Scheduled Mainten- nance En- gineer	.97	0.55	0.83	0.96	0.424
Norm Setter	1.06	0.51	0.92	1.00	0.454
Senior Economics Engineer	0.91	0.60	0.95	1.04	0.321

The introduction of methods to measure and evaluate the labor expenditures of enterprise workers is complex and responsible work, which touches upon the interests of groups of workers and individuals. The reliability of this work depends not only on the quality of the actual methods and norms used, but also on its organization and implementation. This work is also influenced by several subjective factors (as, for example, the desire of individual workers to create opportunities to work with the least possible intensity). In our view, these methods for measuring and evaluating the work of management personnel will serve as means to improve the organization of labor.

The indicators for evaluating the work effectiveness of management personnel must be reflected in the system of incentives. This requires that an accounting of labor expenditures be carried out at several enterprises and that an appraisal must be made of the single universal measure for the labor of engineering-technical workers and other white-collar workers, with consideration for complexity categories.

On the basis of the indicators suggested objective, intense plan targets can be worked out for collectives of staff members, as can socialist obligations and personal plan targets for individual workers, who fulfill management functions. The norms for labor expenditures, expressed by means of a universal measure, may become a reliable basis for improvements in the form and methods of economic management.

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MANPOWER MANAGEMENT PROBLEMS, EXPERIENCE REVIEWED

Moscow SOTSIALISTICHESKIY TRUD in Russian No 9, Dec 83 pp 37-45

[Article by Candidate of Economic Sciences Yu. Baryshnikov and Candidate of Technical Sciences I. Malmygin: "The Balance of Workplaces and Manpower Resources: The Problems and Experience of Regulation and Stimulation"]

[Text] One of the advantages of the socialist economy is its ability to maintain systematically the necessary national economic proportions and ratios. Among them, undoubtedly, there is also the ratio between the aggregate manpower and the amount of means of production being used.

Maintain the Dynamic Equilibrium

How is the situation with the availability and use of workplaces in our economy forming at present?

First of all one should note the unquestionable progressive changes both in the system of workplaces and in the aggregate of manpower. Both have increased quantitatively. The introduction of the achievements of science and technology, the improvement of the organization of production and labor and the increase of the educational level and occupational skill of workers have made it possible to increase their production potential qualitatively as well. During 1965-1981 the degree of the material supply of workplaces increased, which is clearly visible from Table 1.

Table 1

Changes of the Material and Technical Supply of Workplaces in Industry and Agriculture (1965 = 100)

Indicators	In industry (per worker)	In agriculture (per worker)
Capital-labor ratio.	323	417
Electric power-worker ratio.	164	461
Power-worker ratio	177	318

When constructing new and renovating old production facilities and when designing new enterprises particular attention is being devoted to the creation of such workplaces which would be distinguished by high technical and economic, public health,

ergonomic and esthetic data, which make it possible to increase the productivity and comfort of labor. By mid-1981 there were about 97,500 completely mechanized and automated sections, shops, works and enterprises in industry. The level of mechanization as a whole for industry from 1959 to 1979 increased by nearly 15 percent.

Along with the increase of the material supply of workplaces the qualitative characteristics of manpower also are improving. For example, among the employed population in 1959 per 1,000 people 433 had a higher and secondary (complete and incomplete) education, while in 1982 846 did. Moreover, among workers this indicator increased from 401 to 800, while among kolkhoz farmers it increased from 226 to 655. The progressive tendency for the absolute and relative number of workers of high and intermediate skill to increase is being observed in all sectors. The educational institutions of the system of vocational and technical education are training more and more workers. As compared with 1965 the graduating class of skilled personnel from vocational and technical schools in 1981 had increased by 2.2-fold and came to 2.47 million a year. During the 10th Five-Year Plan alone 11.4 million boys and girls graduated from educational institutions of vocational and technical education. Now more than 40 percent of the students of day vocational and technical schools along with an occupation are also obtaining a secondary education. The number of workers and employees, who have been taught new occupations and specialties on the job, increased by nearly 1.5-fold. In 1981 34.1 million workers and employees increased their skills, which is 4.1-fold more than in 1965.

At the same time it is in no way possible to regard as ideal the present level of the balance of available workplaces and workplaces being newly created with manpower resources.

First, the system of workplaces is far from perfection. It is still not fully utilizing the potentials which stem from the real achievements of science and technology, as well as the progressive trends in the division of labor. The proportion of workplaces, which are at the level of the best world examples, is increasing slowly. The share of obsolete and worn out tools of labor is still significant.

Second, the structure of manpower has not formed in the best possible manner. It objectively reflects the shortcomings which are characteristic of the structure of workplaces, beginning with the microlevel and ending with the macrolevel. In industry 40 percent of the workers are engaged in manual labor, while in construction 50 percent are. Due to poor specialization, in particular, of repair, tool making, loading and unloading and transportation work the proportion of auxiliary workers is great, and it is steadily increasing and in industry, for example, has now become equal to the proportion of basic workers. It is also hardly possible to appraise as optimum the ratio between the number of those employed in the sphere of physical production and in the nonproduction sectors.

Third, the problem of the quantitative correspondence between workplaces and manpower resources has been aggravated. According to the data of a 24-hour survey, which was conducted by the USSR Central Statistical Administration in May 1982, of every 100 machine tools of basic production, which did not operate at all during the day, 26 were idle due to nonmanning with workers. For the same reason 39 of the 100 machine tools, which are idle for a full shift, were not in operation. With respect to forge and press machines these indicators were respectively 23 and 35, foundry equipment--16 and 30, electric welding machines--21 and 34. The most acute

shortage of personnel is being felt at large industrial centers, in the regions of Siberia and the Far East, which are being newly developed, and in agriculture of the Nonchernozem Zone. There are also so-called labor-abundant regions. At the same time the method of determining the plan on labor is so imperfect that it is frequently difficult to determine with a sufficient degree of accuracy whether an enterprise is actually experiencing a shortage of personnel or whether it has them in abundance. The mechanism of stimulating the fulfillment of the plan assignments with a smaller number of personnel is operating ineffectively. Many managers of enterprises are not inclined to get rid of "surpluses" of manpower, knowing that the wage fund, the attitude toward the enterprise and to a certain extent the benefits being obtained up to now have depended to a significant extent on the number of personnel, that these "surpluses" may be needed in case of an increase of the plan assignments, as well as the assignment of people to agricultural and other operations.

Fourth, the qualitative characteristics of manpower still do not meet the official and occupational skills requirements which are dictated by the workplaces and the tools of labor being used. And this is more the rule than the exception. At the overwhelming majority of enterprises the average category of workers lags appreciably behind the average category of jobs. Here the number of workers of the highest categories is significantly less than the need for them, while the number of workers of the lowest categories is greater. The occupational mobility of workers is insufficient. Only 5.5 percent of the workers of industry combine occupations and have an enlarged service area. The proportion of workers (74 percent), who receive a basic occupational education directly on the job, where, as a rule, the conditions for studies are very far from the required conditions and, in particular, from the conditions which educational institutions of vocational and technical education can now provide, is too great. At the same time there are many examples, when highly skilled workers perform functions which do not require much training, when engineers and technicians are used without sufficient grounds as workers.

All this is adversely affecting the efficiency of the national economy. The decline of the growth rate of labor productivity and the decrease of the output-capital ratio, in our opinion, are due to a considerable extent to the lack of the proper qualitative and quantitative balance of workplaces and manpower resources.

In the past 10-15 years the problem of the conformity of workplaces to manpower resources has turned into one of the most urgent problems. Its urgency stems from a number of circumstances and first of all the fact that the increase of production efficiency, and especially under the conditions of the formed demographic situation, involves the radical improvement of the use of basic production resources. The recording and planning of workplaces are the decisive factors of the increase of the efficiency of the use of manpower and fixed production capital. They are one of the most important conditions of the sound establishment of the limits of the number of personnel and the monitoring of their observance.

At present a greater portion of the capital investments are being used not for the renovation and modernization of old workplaces, but for the creation of new ones. Here the elimination of the old places, which are characterized by low efficiency, is being carried out extremely slowly. All this, taken together, is having the result that the gap between the number of workplaces and manpower not only is not decreasing, but, on the contrary, is even increasing. The concept of the control of

the process of bringing the workplaces and manpower into balance objectively acts as the methodological basis for the formation of the policy of capital investments. Errors in one inevitably give rise to errors in the other.

The balance of workplaces and manpower will make it possible to improve substantially the manning of enterprises with personnel and to increase the machine shift coefficient. This is especially important at new production facilities, which are based on modern highly efficient equipment.

The substantial decrease of the gap between the need for manpower and the possibility of meeting it will make it possible to decrease the undesirable distortions in wages, to improve the quality of manpower, to tighten up labor discipline and to increase the intensity of labor. In case of the accurate recording of workplaces the decrease of their number can serve as an indicator of the real (not the conditional!) effectiveness of the measures on the increase of labor productivity, including the effectiveness of individual measures on the introduction of new equipment, the scientific organization of labor and so on.

The recording and planning of workplaces and the bringing of their number in line with the availability of manpower are a most important link in the solution of the problem in question. The history of the development of the national economy of our country attests that at different stages the ratio between the number of workplaces and manpower resources was different. During the first years of Soviet power up to the early 1930's there were not enough workplaces. For example, in 1926 there were more than 1 million unemployed in the country. As a result of the purposeful steps taken by the party and the government unemployment was eliminated in the shortest possible time. At the same time the policy of increasing the number of workplaces was continued, since a large amount of manpower was employed in the private sector and it was expedient to involve it in social production. As long as manpower resources did not act as a limiting factor, such an approach was justified. However, the policy of increasing the workplaces was also retained when the level of employment in social production had practically reached the limit and the growth of manpower resources declined sharply (and with respect to a number of regions even became negative).

In the 1960's the problem of vacant (that is, unmanned) workplaces arose. Their number began to increase, and now this trend is appearing more than distinctly. This is explained mainly by the fact that annually more workplaces were put into operation than workers were added. The freeing of manpower due to the introduction of the achievements of scientific and technical progress and the improvement of the organization of production was not that significant. In any case the number of freed workers and the increase of manpower resources from year to year lagged behind the increase of workplaces. This means that the total number of workplaces increased more rapidly than the amount of manpower resources, and the gap between them increased. On the basis of our calculations the surplus of workplaces during the first shift as a percentage of their total number came respectively in 1965 to 1 percent, in 1970--4.9 percent, in 1975--7.3 percent, in 1980--9.9 percent, while by 1985 it will reach 12.2 percent.

The surplus of workplaces as compared with the number of workers is inevitably causing an increased demand for workers. And the greater the need for manpower the enterprises experience, the more lenient the demands are, which are made on

manpower (on the level of skills, discipline, conscientiousness, intensity in work and so forth). According to the calculations of the authors, in case of a surplus equal to 5 percent, in industry the machine shift coefficient decreases as compared with the norm by 17 percent, the service area--by 19 percent, the intensity of labor--by 20 percent, the length of work at one place--to one-fourth to one-fifth; at the same time the idle times of equipment increase by twofold, wages increase by 38 percent.

Well-organized educational work in the labor collective can offset (and even substantially), but not eliminate the adverse influence of this factor, since the main cause--the excess of the need for manpower over the possibility of meeting this need--is not brought to naught.

Under socialism the conditions exist to ensure and to constantly maintain a dynamic equilibrium between workplaces and manpower resources. First of all it must be clearly realized that a considerable surplus of workplaces as compared with the available manpower is a heavy burden which prevents the economy from being developed more rapidly. Furthermore, the task breaks down into two: first, to break the tendency for the gap between the number of workplaces and manpower to increase and, second, to begin to systematically decrease this gap and to reduce it to the socially necessary minimum.

The overall goal is to shift, expressing ourselves in the language of formulas, from $WP > MR$ to the ratio $WP = MR$, where WP and MR are the number respectively of workplaces and manpower resources. Reasoning purely theoretically, it is possible to slow sharply the growth of workplaces and thus to shift rapidly to the desired ratio. In real life it is practically impossible to do this, since the economy cannot be developed successfully without new workplaces, new production facilities and new enterprises, the creation of which stems from a number of essential factors, including the need to develop promising mineral deposits, the production of new types of products, the adoption of fundamentally new technologies and others.

The purposeful control of the increase of workplaces and manpower resources is a realistic lever of influence on the ratio between workplaces and manpower resources. This problem essentially reduces to the determination of the optimum increase of workplaces and the control of the process of freeing manpower. In speaking about the latter, it should especially be emphasized that it is a question of not the conditional, but the actual freeing, which is accompanied by the elimination of obsolete and inefficient workplaces and the implementation of progressive organizational technical and socioeconomic measures.

It would seem that in our economy there are no objective obstacles which prevent the maintenance of specific ratios between the increase of workplaces and the amount of freed manpower and in the end between the aggregate of workplaces and the amount of manpower resources both for the national economy as a whole and in each unit of it, at every level. However, in life this task is accomplished with great difficulties. For example, the analysis of the drafts of the plans of capital investments of ministries for 1981-1985 showed that many had planned a reproduction structure of capital investments, in case of which the emphasis was placed on new construction, the freeing of manpower was planned at less than the necessary level. As a result by the end of the five-year plan in these ministries the number of

vacant workplaces (that is, the places not provided with manpower resources in case of the allocated limits of the number) should have increased to 15 percent.

The drafts were "adjusted" to a certain extent. The proportion of the expenditures on renovation and retooling, as before, remains negligible. For the 11th Five-Year Plan it should come to 32.5 percent, that is, only 3.3 percent more than during 1976-1980. The mechanization of manual labor as the most important basis of the freeing of manpower is being carried out slowly. During the years of the current five-year plan it is envisaged to change over from manual labor to mechanized labor 1.2 million people. If this rate is maintained and the number of people employed in manual labor is not added to, the elimination of manual labor will take more than 40 years!

At the same time it is necessary to cite positive examples of the solution of this problem on the territorial and sectorial level. For example, in Leningrad Oblast a comprehensive program on the recording, analysis, improvement and decrease of workplaces, which is aimed at ensuring a balance of the number of workers and the number of workplaces at the enterprises of the region, has been drawn up and is being implemented during the 11th Five-Year Plan. The estimated number of workplaces, which are sufficient for the fulfillment of the production program (with allowance made for the planned reserve of workplaces with respect to enterprises and the region); the number of workers; the assignment on the decrease of workplaces, which is established by the Planning and Budget Standing Commission of the Leningrad Oblast Soviet Executive Committee for the enterprises of the region and by way of directive, are the basic indicators of the program.

The Ministry of the Automotive Industry, the Ministry of Tractor and Agricultural Machine Building, the Ministry of the Radio Industry and several other ministries are performing successful work in this direction. Thus, in the Ministry of the Automotive Industry the Instructions (Methods Recommendations) on the Procedure of Performing Work on the Systematic Improvement and Decrease of Workplaces at Enterprises (Associations) of the Automotive Industry, which envisages, in particular, material stimulation for the decrease and increase of the technical and economic characteristics of workplaces, as well as sanctions for the deviation of the actual state of workplaces from design decisions, are in effect for the third year now. The introduction of the payment of bonuses for the improvement and decrease of workplaces at enterprises made it possible, for example, in 1981 to decrease the number of workplaces at the AvtoGAZ Production Association by 2.3 percent, the AvtoVAZ Production Association by 1.6 percent and the BelavtoMAZ Production Association by 1.4 percent. Here the registration of about 30 percent of the active workplaces, of which 75 percent have been certified, was carried out.

The Ministry of Tractor and Agricultural Machine Building is using the special accounting form "The Consolidated Report of the Results of the Introduction of Measures on the Decrease of Workplaces and the Freeing of Workers," in accordance with which the enterprises (associations) submit to the ministry data on the change of the number of workplaces. The certification of workplaces for their conformity to advanced decisions for the purpose of the substantiation of measures on the improvement of equipment, technological processes and accessories, which makes it possible to systematically identify obsolete workplaces (with respect to the yield of products, their quality and other indicators) and to give recommendations on their elimination, is carried out on the basis of a statute drafted by the ministry. The

systematic and purposeful work of the ministry made it possible to eliminate for the sector in 1980 4,955 workplaces and to free 8,085 workers, and in 1981 respectively 12,850 and 20,893.

The Experience of the Socialist Countries

The experience of the socialist countries, first of all the GDR, the CSSR and Hungary, in which serious attention is being devoted to the problems of the balance of workplaces with manpower resources, also merits attention. At the 11th Plenum of the SED Central Committee in December 1979, for example, the emphasis was placed on the decrease of workplaces, which should be achieved by the limitation of the number of workplaces being newly created and the dissolution of obsolete workplaces, as well as by organizational and technical measures at operating enterprises. The first positive steps in this direction were noted in 1981. In particular, capital investments for the expansion of production began to be allocated by ministries only in those instances when the available capacities were being used during several shifts, while it was envisaged to use the ones being newly put into operation during not less than two shifts. Whereas in 1978 there were 5.3 created workplaces per saved workplace, in 1981 this ratio had been improved substantially and came to 1:1.7. It was possible to achieve this, on the one hand, as a result of the change of the policy of capital investments and its reorientation from new construction to the modernization and renovation of fixed capital and, on the other, as a result of measures aimed at the elimination of obsolete workplaces (first of all the ones characterized by a low productivity, difficult and harmful working conditions).

The freeing of manpower by the reduction of workplaces beginning with 1981 was included in the GDR among the mandatory indicators of the five-year and annual plans of the ministries, combines and enterprises of industry, construction, transportation, forestry and water resources. Here that manpower, which as a result of the implementation of the corresponding measures can actually be redistributed either within an enterprise or outside it, is understood as freed manpower. The relative saving of manpower is not taken into account. The elimination of the workplace and the transfer of the freed worker to another job are the most important attributes of the freeing of manpower. The statistical reporting on this indicator in 1981 was carried out once in 6 months, while since 1982 it has been carried out quarterly.

The most important basis for the planning of the freeing of manpower and the decrease of workplaces is the long-term programs of the efficient use of manpower resources, which are drafted and approved in consultation with the State Secretariat for Labor and Wages for each ministry, as well as with a breakdown by territories.

In the GDR they are using successfully the standard card of the workplace and the model method of the comprehensive analysis of workplaces on the basis of the standard card, which were developed by the Central Scientific Research Institute of Labor (Dresden). The card contains information on the equipment and the organization of the workplace, the technology, the working conditions, labor safety techniques, the work schedule, the forms of wages, the labor norms being used, the occupation and skills of the worker, the demands on his physical and intellectual capabilities. Its use makes it possible to delimit (classify) the workplaces clearly and to obtain complete information on their number and state and, moreover, what is especially important, makes it possible not only to plan purposefully the measures on the rationalization of workplaces and the improvement of working conditions, but also

to determine the technologically substantiated need for manpower, to increase the efficiency of its use and to plan soundly the decrease of workplaces, first of all by the elimination of the places with difficult and unproductive labor. The experience of enterprises of the GDR shows that the very process of adopting the standard card of the workplace is already contributing to the identification of reserves of the saving of workplaces. At the present time the standard card of the workplace is being used at the enterprises of 8 of the 11 industrial ministries.

In the CSSR a discrepancy between the reproduction of workplaces and manpower is also being observed. In 1982 there were about 700,000 vacant workplaces, that is, approximately 15 percent of their total number. As a result of the surplus of workplaces a shortage of manpower is being felt, the shift coefficient and the output-capital ratio are decreasing, which is adversely affecting the efficiency of social production. The statistical form "The Annual Report on the Workplaces of Workers of Industrial Enterprises," which is drawn up in conformity with the Instructions on State Statistical Reporting on Workplaces at Industrial Enterprises, which were approved by the federal statistical office, was introduced as of 1 January 1983 for the purpose of monitoring the assurance of the conformity between workplaces and manpower. The form contains information on the location of the enterprise, the type and mode of production and participation in the fulfillment of comprehensive goal programs. In it the number of workplaces at the beginning of the year, the increase of the number of workplaces due to capital construction, the decrease of their number due to elimination and other factors and the total at the end of the year are given, the total number of workplaces for industrial workers engaged directly in production (including manual labor) and the mechanized workplaces of basic and auxiliary activity are calculated. The number of additional mechanized workplaces, those in reserve, under repair and removed from service is indicated. The reserve of workplaces is divided into the reserve according to capacity, assortment and seasonal nature.

In 1977 the CSSR Government adopted a decision on the improvement of the use of fixed production capital, which envisaged the implementation of the necessary measures on the recording and planning of workplaces, including economic experiments. In 1978 an experiment, in which 64 enterprises with a total number of workers of more than 70,000 participated, was conducted in Brno.

The results of the experiments enabled the Federal Ministry of Labor and Social Affairs to draw the conclusion that the necessary prerequisites exist to increase the shift coefficient to 2 in intermittent production and to 3 in capital-intensive production and on the average for the country to 1.6. For this it is expedient to plan the concentration of production for 5- and 10-day periods, to step up the measures on the saving of manpower, to create only those capacities with respect to which there are no reserves, to plan capital investments with allowance made for the number of workplaces, to tighten up the monitoring of the provision of new capacities with manpower, to stimulate the saving of living labor at enterprises and to introduce the indicators of workplaces in the plans of enterprises and the passports of construction projects.

In 1980 the Planned Economic Management Committee rated favorably the results of the experiment in Brno and recommended that the balance of workplaces be introduced in the practice of accounting and planning, as well as commissioned the ministries and departments to elaborate a system of stimulation.

In 1981 instructions were approved, in which the calculation of the coefficient of the use of workplaces is made:

$$C_u = \frac{\text{Number of industrial workers engaged directly in production}}{\text{Number of workplaces for industrial workers engaged directly in production}} .$$

This coefficient should increase annually from the actual value to the socially necessary norm (for the national economy on the average 1.6). In case of a decrease of the coefficient to less than the norm the State Bank increases the fee for credit or does not permit assets from the production development fund to be used for the creation of new workplaces.

The organs of territorial planning analyze the use of workplaces in their regions and enable the movement of workers at new enterprises. They have the right to halt the designing of new enterprises in case of the presence of reserves of workplaces in excess of the norm in the region.

Solve the Problem Comprehensively

The planning and economic organs of our country, allowing for the tasks facing the national economy and taking into account domestic experience and the experience of the socialist countries, at present have begun to devote much more attention to the problem of the balance of workplaces and manpower. In 1981 the USSR State Planning Committee, the USSR State Committee for Labor and Social Problems, the USSR Central Statistical Administration, the State Committee for Science and Technology and the State Committee for Standards were commissioned to organize work on the introduction in the practice of planning and accounting of an indicator which characterizes the number of workplaces, having envisaged in so doing the conducting of experiments in industry and the assurance of the drafting of the necessary procedural instructions. The corresponding plan of measures has been approved and is being implemented.

Experience shows that this work is of a comprehensive nature and involves the accomplishment of a number of economic, social, organizational and scientific methodological tasks. The main ones of them are the introduction in design documents of an indicator which characterizes the number of workplaces; the registration, certification and recording of the existing workplaces; the planning of the development of the system of workplaces of the national economy; the control of the movement of manpower resources in conformity with the plan of the movement of workplaces; the monitoring and stimulation of the work on the increase of the balance of workplaces with manpower resources and the increase of the efficiency of their use; the performance of scientific research work for the backing of the above-listed measures with procedural materials; the economic education and training of workers in the above-listed matters.

The concept "the workplace" should first of all be defined more accurately. At one time the USSR State Planning Committee elaborated for use during the 11th Five-Year Plan the form "The Consolidated Technical and Economic Indicators of the Renovation and Retooling of Operating Enterprises for 1981-1985." In it, along with other indicators, there is also such an indicator as the decrease of workplaces, including by the renovation or retooling of operating enterprises.

In accordance with the indicated form the ministries submitted the plans for the 11th Five-Year Plan. When calculating the number of workplaces they were guided by the definition of the workplace according to All-Union State Standard 19605-74: "The workplace is the zone provided with the necessary equipment, in which the labor activity of the performer or group of performers, who perform jointly one job or operation, is carried out." However, as it turned out, it is not suited for practical purposes, since it permits the ambiguity of its interpretation. Here, for example, is what decrease of the workplaces was planned by various ministries for the five-year plan (Table 2).

Table 2

Ministry	Planned decrease of workplaces
Ministry of Transport Construction.	20
Ministry of Nonferrous Metallurgy	1432
Ministry of the Construction Materials Industry . .	15066
Ministry of Chemical and Petroleum Machine Building	22463

Such a spread of the figures also attests to the corresponding attitude toward this indicator on the part of the ministries. It is explained both by the disagreement in the interpretation of the concept "the workplace" and by the lack of instructional procedural materials for the recording of workplaces, which are uniform for all sectors. During 1976-1979 the USSR Central Statistical Administration made a definite contribution to the elaboration of the methods of determining the number of workplaces at operating industrial enterprises. At the same time the work in this direction has to be continued, by making active use of the gained experience and extending it with allowance made for the specific nature to other sectors of the national economy. This experience should also be taken into account when planning new enterprises and organizations. The subdivisions of the USSR State Committee for Construction Affairs could prepare already now supplements to the construction norms which specify the composition of the indicators of design documents, having also included in them the number of workplaces. Its presence in the designs of enterprises will make it possible to calculate the planning balance of workplaces on the basis of design data. It also seems expedient for the USSR Central Statistical Administration to prepare sectorwide instructions on the recording of workplaces at enterprises and organizations, in associations, ministries and departments, as well as standard forms which are submitted by them to statistical organs and planning organs. Similar work should be performed in the union republics, krais, oblasts and cities.

The Scientific Research Institute of Economics attached to the USSR State Planning Committee has drafted the Standard Procedural Instructions on the Planning, Recording and Analysis of the Technical and Economic Indicators of Workplaces for Industrial Ministries and the Method of Planning Workplaces for Central Planning Organs. Thus, there is a sufficiently reliable base for calculations of the sectorial balance. Studies on the regional aspects still have to be performed. Sectorial procedural recommendations on the planning of workplaces, which are balanced with the limits of the number of workers and employees, for sectors, ministries, departments, enterprises and organizations, as well as all-union procedural recommendations on the planning of workplaces, which are balanced with the size of the able-bodied population, for the union republics, krais, oblasts and cities, are needed.

The registration of workplaces in the national economy by sectors and territories should be carried out for the obtaining of information on the workplaces at operating enterprises. For these purposes it is possible to use the standard card (passport) of the workplace, which should contain the information necessary for the recording, analysis and planning of workplaces, and particularly about the level of mechanization, the degree of difficulty and the conditions of labor at the workplace.

The certification of workplaces for their conformity to progressive decisions is one of the conditions of the balance of workplaces and manpower resources. The technical, economic, public health, aesthetic and other properties of the workplace are analyzed during it. In the Estonian SSR Ministry of Light Industry, for example, not only the workplaces, but also the workers employed at them are certified, that is, the man-machine system as a whole is examined. Such an approach is more promising. Using the positive experience gained by the ministries and associations in this area, it would be advisable, in our opinion, to draw up sectorwide instructions on the certification of workplaces for their conformity to progressive decisions and, in the future, on the certification of workplaces and workers.

In accordance with the results of national economic registration an economic analysis of workplaces by types should be carried out: certified, noncertified; liable to retooling, renovation, removal from service, elimination; with manual, difficult and harmful labor.

At the same time as the indicated measures it is necessary to conduct studies in the area of the methods of managing the process of the achievement and maintenance of the balance of workplaces and manpower resources, including the methods of planning the decrease and elimination of workplaces with manual, difficult and harmful labor. The analysis of the interrelationship of the movement of workplaces (by number and quality) and manpower resources (by amount and quality) will make it possible to elaborate methods of the management of the movement of manpower resources by sectors and territories.

The stimulation of the decrease of workplaces is an important condition of the maintenance of the balance of workplaces and manpower resources. At operating enterprises it is being carried out in several directions. One of them is the enlargement of the service areas, the combining of occupations and the movement of operators of several machines. But in these instances the corresponding training of students at vocational and technical schools is required. In case of the improvement of the methods of crediting the wage, in particular, one should proceed from the fact that the expenditure of energy of the operator of several machines, his fatigue, sick rate and injuries on the job increase in proportion to or even to a greater extent than the number of machines being attended. From what has been said it follows that the remuneration for the additionally assumed work should conform more to the expended energy and the increase of the production of output.

Another direction is the changeover of brigades to such a form of cost accounting, in case of which the brigade is given the right of the day-to-day management of means of production, and the consumption of fixed production capital or equipment is also taken into account in the consumption of resources of the brigade.

In addition to the existing methods of stimulating the efficient use of all production resources in the unified economic mechanism it will be necessary to elaborate

methods of the stimulation of the saving of capital investments by the decrease of the number of workplaces per unit of capacity of the enterprise when designing and operating enterprises, as well as methods of imposing economic penalties with respect to the officials who are guilty of creating unused workplaces and an increased demand for workers.

The urgency of the elaboration of these measures is being increased by the fact that the decrease of workplaces makes it possible to increase the effectiveness of not only capital investments, but also manpower resources by their freeing (not conditional, but actual!) and transfer from the first to the second shift, to more efficient equipment and to other enterprises. Therefore the work on the systematic decrease of the number of workplaces per unit of capacity of an enterprise (per million rubles of gross output a year) should be stimulated at all stages: during the designing, construction, retooling, renovation of enterprises and so on.

The introduction in design documents of the indicator "the number of workplaces per unit of capacity of the enterprise" and its use along with others for the evaluation of the quality of the designs of enterprises and the stimulation of the workers of scientific production, scientific research, planning and design and technological organizations for the decrease of this indicator will make it possible to link the saving of capital investments more closely with the saving of manpower resources. The modern designer is poorly interested in the saving of living labor, but is interested to a greater extent in the saving of capital investments. The thinking of a designer should work in such a direction so as to increase the number of operators of several machines and those who combine occupations (that is, to decrease the number of workplaces and the number of workers). Therefore it is necessary to stimulate such a design and such a principle of the arrangement of machine tools in the shops, in case of which it would be easier for the operator of several machines (the person combining occupations) to work, and then not individual workers, as is now the case, but the majority would become operators of several machines (people who combine occupations). This approach should be common for classical machine tools, machine tools with programmed control and robots, as well as the equipment which facilitates the labor of engineering and technical personnel and employees and increases its efficiency.

An economic experiment in a number of sectors on the assurance of the balanced development of workplaces and manpower resources and on the elimination of the increased demand for workers is envisaged in conformity with the approved plan of work on the introduction of the indicators of workplaces in the practice of planning and accounting. It is advisable to perform such work first in one or two union republics. Only the combination of sectorial and territorial experience will make it possible to draft on the basis of the results of the experiments procedural instructions on the planning of workplaces, which are balanced with manpower resources quantitatively and qualitatively, for sectors and union republics, as well as to introduce additions and procedural instructions on the drafting of state plans of USSR economic and social development in the area of the planning of workplaces.

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LABOR

GRAIN INSTITUTE DIRECTOR, READERS DISCUSS FARM WAGES

Wages on Experimental Grain Farm

Moscow SEL'SKAYA ZHIZN' in Russian 8 July 83 pp 1-2

[Article by A. Seleznev, director of an experimental farm, VNII [All-Union Scientific-Research Institute] of Grain Management, Tselinograd Oblast, under rubric "Thinking and Acting in an Economically Efficient Manner": "Work and Wages"]

[Text] The taking of energetic steps to develop a new type of economic thinking -- that is the current requirement of the party, a requirement that was emphasized with particular force in the materials of the June 1983 Plenum of the CPSU Central Committee.

In this regard the editorial office of this newspaper is initiating a new rubric "Thinking and Acting in an Economically Efficient Manner," under which we shall publish materials that are aimed at developing socialist enterprise and business-like attitudes, and a creative search for ways to achieve the best final result in the national economy with the least expenditures.

Today we are publishing the first article in this series -- an article by the director of an experimental farm of the All-Union NII [Scientific-Research Institute] of Grain Management, from Tselinograd Oblast, A. Seleznev.

The June 1983 Plenum of the CPSU Central Committee re-emphasized the need for the strict accounting and strict observance of the principle of distribution according to labor. "Each of our citizens has the right only to those material blessings," Comrade Yu. V. Andropov said, "which correspond to the quantity and quality of his socially useful labor." As I study the materials of the Plenum of the Central Committee, I ask myself; have we done everything to observe the principle of distribution according to labor? How is the material incentive operating on our sovkhoz?

For almost twenty years, every month, I have been signing the payroll authorization for hundreds of people. The ruble, of course, is not the best gauge of

life's values. Nevertheless, if one resurrects from the archives those old payroll lists and place alongside of them the new one that has just been brought from the accounting office, one cannot fail to be delighted to see how far life has moved ahead. The high level of wages for the mechanizer or animal husbandryman is today an everyday phenomenon.

I want to say immediately that in these comments I shall discuss not the level of payment in general or the amount of the wages in their absolute amount, but, rather, their, so to speak, relative amount, the extent to which those wages correspond to the results of labor, because it is specifically through this "relativeness" that wages carry out their chief function: the just rewarding of the worker for his labor, the encouraging of him to work even better.

Wages are payment for work. It is difficult to give a simpler or more precise interpretation to that customary concept. However, in economic practice the link between work and wages appears to be not so simple or so irreproachably direct as one might expect. True, it may also be not so simple at all, inasmuch as the tie between labor and its results also is not simple. This pertains especially to agriculture, where man works in partnership with nature. But, on the other hand, the justness of the principles of payment is an unconditional and mandatory virtue. If a person has worked well, he has got good wages. If he has done more, he has received more. Can it be any other way?

That is what I would like to talk about frankly, without beating around the bush. Do we always receive exactly as much as we have earned? Isn't the cashier's hand sometimes too lavish? And when it is skimpy, is it always to the proper extent? And, finally, do we have an exact idea of how much we specifically have legally coming to us?

In the 10th Five-Year Plan our farm, as compared with the 9th Five-Year Plan, increased the production of vegetable-husbandry output by 21.4 percent. The increase was obtained entirely by increasing the labor productivity. Consequently, every mechanizer began producing more output than he had previously. According to the logic of things, he has a right to count on higher wages. And yet his average monthly wages did not increase, but, rather, fell by 7.3 percent. That is a paradox, isn't it?

The fact that I have cited seems to be a misunderstanding, a crude error made by the farm's economic service. Yes, it's a mistake, but it has a different origin. The possibility and even the inevitability of it lies, unfortunately, in the present system for paying for labor on sovkhozes.

Lying in front of me is a table that is crammed full of figures -- it is a report on the economic indicators for the farms in Shortandinakiy Rayon for 1981. That is our rayon. I have a rather good knowledge of what each farm in it is like. Nevertheless, certain places in this economic report look like a rebus. In the column "output produced per worker" I find the line for the Andreyevskiy Sovkhoz. In that line I read "6,919 rubles." Somewhat below is the line for Sovkhoz imeni S. Seyfullin -- 4,267 rubles. A noticeable difference. Now let's look at the next column: "Andreyevskiy, 2,217

rubles; imeni S. Seyfullin, 2,476 rubles." These are the average annual wages per worker. So who produced more output, and who earned less?

The line for our farm is at the very bottom of the table. We are not making any claims -- as the expression goes, it's not where you are that counts. Both with regard to overall gross output and with regard to individual output, the farm is leading in the rayon. The labor productivity in 1981, for example, was 8,158 rubles. But there is an indicator for which we have been hopelessly lagging behind all the others. It is the average annual wages. They are 379 rubles lower than the average for the sovkhozes in the rayon.

Those are the confused and inexplicable relationships that frequently develop between labor productivity and the payment for labor. Of course, before making any exhaustive conclusions from this, it is necessary to put onto the scales a number of factors. What output does the farm produce? How is the farm provided with funds? In what soil and climatic conditions does it operate? All these are very important circumstances, and in this instance I attempted to take them into consideration. But for greater persuasiveness one can trace the tie between the level of production of output and payment by using the example of one sovkhoz during that time interval when there are no changes in the provision with funds, in the structure of production, or the sales prices. And so, on the Podlesnyy Sovkhoz, the labor productivity in 1981, as compared with 1980, dropped by 6 percent, but the average annual wages increased by 189 rubles. And, incidentally, the situation was analogous for the rayon as a whole.

That is a curious indicator -- the share of the gross income to be expended to pay for the labor. For the farms in the rayon, it varies from 29 to 58 percent. And there is probably no economist who would take it upon himself to explain those great disparities in the quantity and structure of funds, in the quality of soils, in the economical merits of the technological schemes.

And so, having a higher level of labor productivity, a farm can have a lower level of payment. By increasing his individual output, the worker can lose wages, and, conversely, by reducing his individual output he can earn more. Is it justified in this instance to say that wages are payment for output? One would scarcely say so.

I have no intention of criticizing the existing Statutes Governing the Payment of Labor. Qualified individuals worked on the developing of them, and the payment principles that form their basis would seem to be realized with sufficient completeness in those Statutes. But, in my opinion, it would be desirable to do a little thinking about the degree of acceptability of those principles themselves today, and the extent to which they correspond to the present-day tasks of our agriculture.

I would like to take as my point of departure the words stated at the November 1982 Plenum of the CPSU Central Committee by General Secretary of the CPSU Central Committee Yu. F. Andropov. "It is necessary," he said, "to create those conditions -- economic and organizational -- that would encourage high-quality, productive labor, initiative, and enterprise. And, conversely, poor work, inactivity, irresponsibility must have the most immediate and most

irreversible effect upon the material compensation, upon the official position, and the psychological authority of the workers." Let us attempt to look at the payment of labor in agriculture from those positions.

Let us begin at the beginning, as the expression goes. How is the wage fund planned for the sovkhoz? One takes into account the planned volume of production and the expenditure of wages that had occurred during the past period per unit of output obtained. Whether that expenditure developed objectively is, for some reason, not generally taken into consideration. But that is only half the problem. There is something that is even worse: the sovkhoz can receive the wage fund and expend it expend it down to the last kopeck even if it has failed its production assignment with a thunderous crash. I can cite examples when a farm that has underproduced 15-20 percent of the planned output has managed to expend for the payment of labor even more than was released to the farm. Overexpenditure of wages is a liberty that some administrators, it must be admitted, allow themselves to take without any fear of the consequences. Those administrators, unfortunately, have realized that the wage fund is a grant in aid that the state guarantees to them in any instance and which, it turns out, it is not mandatory to earn. And so it is quite impossible to understand at what item in the wage fund one should economize. No one regrets unearned money -- that is axiomatic.

We pay a tractor operator or milk maid according to payment rates that are called payment rates for output. Let's put the emphasis on the word "output" and examine a bit more attentively what that payment rate is. It is an ordinary fraction: the numerator is the wage rate, and the denominator is the output, or, rather, the plan or norm for its production. The numerator is the guaranteed value that is constant for everyone. But the denominator depends upon the level of the planned assignment. The higher and more intensive it is, the smaller the fraction and the lower the payment rate. Our milk maid, who produced 75 tons of milk a year, received 2.47 rubles per quintal. When she began to produce 90 tons, the payment rate dropped to 2.06 rubles, that is, in inverse proportion. It is understandable that, for a director who is concerned about the wages being received by his collective, it is more profitable to receive a reduced plan than to increase the harvest yield or the productivity of the livestock, or to modernize the technological schemes. Because his neighbor did not increase anything, his denominator is quite meager, so therefore the fraction is bigger and the payment rates are higher.

Currently the farms have been granted the right to establish stable payment rates for a period of five years. Needless to say, this is an intelligent measure. It makes it possible, for the duration of the five-year plan, to stabilize the tie between labor productivity and wages. But it, of course, does not resolve all the problems of payment.

By saying all this, I am well aware of how complicated a thing it is to find those forms of payment which would equally correspond to the interests both of the state and each individual farm without exception. It would be good, for example, to have single payment rates for output, but in actuality it is impossible to introduce them even on the scale of a single rayon. Just

establish them and see what happens: all the workers on the Krasnoyarskiy Sovkhoz, for example, will get themselves a Zhiguli [car] the same year, but in the neighboring Sovkhoz imeni M. Mametova the people will remain without wages and will go completely broke. Judged on the basis of the level of profitability, our farms are very similar, and that should not be discounted. But, on the other hand, if payment is made not for the work performed, but just for being present at the work station, is it possible to improve the quality of the labor?

In my remarks it is possible that some people may see a complaint against the manager of a strong farm who has been cheated out of his fair share. But if one thinks about it carefully, the economy of the weaker, lagging farms does not suffer from the imperfection of the payment principles to a lesser degree either. It is also unprofitable for them to increase the same denominator. The increased wages that many of them earn today may not be spoiling everyone, but they do not encourage people to work better.

Where, then, is the acceptable decision? Without making any claim to indisputability, I shall attempt to express my opinion. It seems to me that making the earning dependent upon the quantity and quality of the labor can be done by only one method -- by making it a part of the earnings received by the farm from the sale of output. In the household, when we bring our pay home, we make the necessary payments for rent, gas, the nursery school, we make payments on our debts, and then we go to the store and the savings bank with whatever remains. Our expenditure and income are coordinated without the aid of auditors or ministerial instruction guides, because we spend only what we have earned. Why cannot the sovkhos live exactly that way? If it has sold the output and made payments to the state budget and the bank, it can keep the rest. You can see yourself what purchases have to be made, how much you have to pay for the man-days that have been worked, and what should be put aside for a rainy day.

But people will object to this view of mine, saying this is the very same thing as single payment rates. Once again there will be some have not earned enough for the bare essentials, while others are rolling in the lap of luxury. Yes, that is so if one views payment completely separately from the system of economic incentives as a whole, or, more important, without consideration of these measures for the improvement of the economic mechanism which were planned by the May 1982 Plenum of the CPSU Central Committee. In the interests of improving cost accountability, the Plenum's decisions stipulate the equalization of the economy of the kolkhozes and sovkhos by equalizing the material base of production, the deep differentiation of purchase prices of output, etc. Inasmuch as such measures have been deemed to be necessary, would it not be a good idea, in the course of their realization, to provide also for the transition of the farms to the new principles of payment for labor? First at least on an experimental basis. Especially if we are discussing the principles which in general were tested out long ago by kolkhoz practice, and the recently created regional APO [agroindustrial associations], incidentally, are a very convenient base for introducing them.

Then another question asks itself. The level of the economic welfare of the farm is very frequently influenced by the level of management of that farm. Does

a tractor operator have to earn less than a worthless agronomist on a sovkhoz? That question does not come up today. A milk maid does not feel it in her pocketbook whether their director is smart or not very. It was already pointed out that "a too advanced" manager is even "out of pocket." But if the wages must be earned, in the full sense of the word, the director's lack of skill or his laziness must have a reflection upon the worker's personal budget. Must one fear that? It seems to be that it would not be bad at all if our friend the manager remembers from morning to night that the welfare of his subordinates depends specifically upon him. And if every subordinate also knows about that.

Finally let us consider the situation when the production-economic results do not depend either upon the mechanizer or the director. The weather has done us in. The farm has underproduced output. What should one do about the wages? A little while earlier, not by accident, I mentioned the savings passbook. The sovkhoz must have a reserve of monetary funds. It is difficult to understand why it has been refused that right. Without a reserve of money for wages we just cannot get along.

But at the present time the reserve is in the hands of the ministry. Drawing from it, no one, naturally, feels that he is withdrawing money from his own account, or borrowing against the next harvest. It is abstract money, somebody else's money, nonrepayable material assistance from the state. It is another matter when you take money from your own savings. Before you leave the cash window, you recount the money five times, and then you think ten times about when you are going to bring it back, and how much. Earned money has a special rate of exchange. And it would seem that we ought to have no other kind of money in circulation.

By publishing A. Seleznev's article, in which the author, taking well-principled positions, raises a number of fundamental problems for improving the payment of labor and increasing the effectiveness of agricultural production, the editorial officer counts on having this important discussion continue. We invite the administrators, economists, and other specialists on kolkhozes and sovkhozes, scientists, and all the readers of this newspaper to express their opinions on the questions that were touched upon in the article.

Centralized RAPO Funds in Estonia

Moscow SEL'SKAYA ZHIZN' in Russian 2 Aug 83 p 2

[Article by Ya. Praggi, candidate of economic sciences, Estonian SSR, under rubric "Thinking and Acting in an Economically Efficient Manner": "But Have All the Factors Been Taken Into Consideration?: We Discuss the Article 'Work and Wages'"]

[Text] Important questions were raised in A. Seleznev's article "Work and Wages" (SEL'SKAYA ZHIZN', 8 July). From our point of view, the correct criteria for paying labor in agriculture can be found only in the event that one accurately accounts for ground rent. And yet the evaluation of the land is by no means always taken into account as a factor of management.

Take our republic, for example. The production opportunities of the farms on its territory are extremely varied. Some of them have soil that is given a rating of 50-55 points, but other must carry out production on land where the rating does not exceed 30 points. And there are other differences. On the Ranna, Pydrangu, and imeni Gagarin Sovkhozes, for every 1000 hectares of cultivated land there are as many as 250 workers, but on the Tali, Nymkyula, and Valgu Sovkhozes there are slight more than 60. Approximately the same difference pertains in the extent to which the farms are provided with production assets: on the Kuusalu and Vyayke-Maar'ya Kolkhozes, the amount of production assets per hectare of cultivated land is as much as 4000 rubles, but on many farms in Khaapsaluskiy Rayon, 1200 rubles each. Or take the fixed assets for cultural and everyday purposes. On the Ranna Sovkhoz, for each hectare of cultivated land they obtain as much as 2500 rubles of profit, but many kolkhozes and sovkhozes are forced to be satisfied with 20 rubles.

A study of the economics of the farms that are operating at a loss has indicated that on those farms the rating of the land is an average of 2 points lower than on the farms that are profitable, and that they have for each hectare of cultivated land 291 rubles less in fixed assets, and for each 1000 hectares of agricultural land, 25 percent fewer workers than the economically strong farms. We might add that the lagging farms receive 27 percent fewer concentrates from state funds and 13 percent fewer mineral fertilizers.

How does one find the objective criteria when evaluating labor, and, consequently, when paying for it under such different conditions? Because many of the highly profitable farms, in order to obtain an identical total amount of profit, expend much less labor and funds than the kolkhozes and sovkhozes that carry out production under less favorable conditions.

On farms that are carrying out production under more favorable natural conditions, the monthly wages are almost twice as high (including bonuses) than on the lagging sovkhozes. And yet, on the hilly fields of the Vyyt Sovkhoz, Vyruskiy Rayon, in order to grow a sizeable harvest it is necessary to expend much more labor than, for example, on the plans of the well-known Rakhva Vyyt Kolkhoz that is situated close to Tallinn.

There can be only one way out: the equalizing of the management conditions. This must include both the distribution of state funds (additional allocation of resources, differentiated additional payment added onto purchase prices, etc.), and the use of the internal resources of the rayons, oblasts, and republics: the partial redistribution of the profits obtained as a result of favorable natural and other conditions, to the benefit of those farms which are carrying out production under more complicated conditions, etc.

At the present time one can use considerably better the internal reserves as a result of the creation of centralized funds at the RAPO. But those funds, as has been demonstrated by experience, must be formed in a well thought-out manner, intelligently, otherwise it is possible to disrupt the cost-accountability relations and inflict harm on the economics of the farms.

In Estonian SSR, as long as ten years ago, a scientifically substantiated evaluation was made of the management conditions for all the kolkhozes and

sovkhozes. When the methodology was being developed, consideration was taken not only of the natural and economic factors, but also the organizational ones. And there were arguments: was it proper to take the organizational factors into consideration? But research indicated that in the formation of the management conditions there is no doubt that no small role is played by the educational level of the workers, the organizers' talent, their ability and experience, and the creative initiative and public participation of the workers. Those factors, with all their significant details, occupy an important place in the system of the efficient administration of production and exert a large influence upon increasing the effectiveness of management as a whole.

In order to determine objectively the extent of the payments to be made into the centralized RAPO funds, the republic has worked out a special coefficient. It is the relationship of the rating of the conditions of management of the rayon to the rating of the conditions of management of the specific kolkhoz or sovkhoz. This coefficient is multiplied by the quantity of hectares there are used for agricultural purposes. As a result one obtains that differentiated total of contributions which should be made to the centralized funds of the association.

In Estonia certain RAPO's are now in their second five-year plan of operation. A study of their operation indicates that in the overwhelming majority of instances the formation of centralized funds is carried out on an objective basis. Unfortunately, one cannot say that about the use of funds. Subjectivism is still encountered here. One's attention is drawn by the fact that individual farms withdrawn from the centralized funds undeservedly large amounts of money, while others that are located in more cramped conditions do not receive what they need.

It happens that the farms that are carrying out their production under favorable conditions, after making payment to centralized funds of an objectively computed total amount of money, get that money back during the distribution. It also happens that the payments for such farms are also higher than the contributions made. But it is completely obvious that so long as the distribution proceeds according to the principle "whoever has, gets" there cannot be any thought of an even development of all farms. Some, by getting money from the centralized RAPO funds, will get rich, while the economic status of the poor ones will worsen. That is why it is completely necessary everywhere to apply not only the objective principles for determining the total amounts of payments to the centralized funds, but also to carry out a scientifically substantiated distribution of those funds.

For this purpose, in my opinion, it would be beneficial to introduce a new indicator -- the coefficient of difference of management levels. It is equal to the relationship of the rating of the management conditions of the specific kolkhoz or sovkhoz to the average rating for the rayon, and it indicates to what extent the management conditions of the specific kolkhoz or sovkhoz are worse than or better than the average ones. By multiplying the digital value of the difference coefficient by the average-rayon rating for the management conditions, we obtain the maximum for the payments into and

the receipt from the centralized funds per hectare of cultivated land for the particular farm. By having this kind of computation, it is simple to determine how many funds can be centralized from the profits of a farm that is operating under favorable conditions. It is also possible to determine how many funds should be paid to a farm with unfavorable conditions so that its income will equal the average-rayon conditions.

The coefficient of difference of management conditions was employed by us for evaluating the activities of the farms in the Rakvereskiy RAPO. The picture that was determined is extremely instructive. In accordance with a decision of the RAPO council, in 1982 the centralized funds received a million rubles. That amount is 10 percent of the profit from the farms that are carrying out production under favorable conditions. By using the coefficient of difference in evaluating the management conditions, the RAPO economists computed that for the Simuna Sovkhoz, for example, the total amount of payments from the centralized funds should have been 41,000 rubles; for the Viru-Nigula Kolkhoz, 56,000 rubles; for the Nymkyula Sovkhoz, 142,000 rubles, and for the Layekvere Sovkhoz, 169,000 rubles. Those were the objective needs of the farms with a poorly developed economy in order to give them a level of income that would be close to the average-rayon level. Actually, however, only Layekvere received the necessary amount. Nymkyula received only 30,000 rubles, and Simuna and Viru-Nigula received absolutely no additional payments from the association's funds.

Similar errors have been occurring in other rayons. But by using the coefficient of difference when evaluating the management conditions, the distribution of the money from the centralized funds can be put on a strictly scientific basis: the money will be received not only by the person who lives closer to the rayon center and who visits the administrators' offices more frequently, but also by the one who works under objectively unfavorable conditions. Whoever has conditions that are more difficult must receive more from the centralized RAPO funds.

Farms in Belgorod Oblast

Moscow SEL'SKAYA ZHIZN' in Russian 12 Aug 83 p 2

[Article by A. Matushkin and P. Lykov, candidates of economic sciences, Belgorod Oblast, under rubric "Thinking and Acting in an Economically Efficient Manner": "Productivity and Payment of Labor: We Continue the Discussion of the Article 'Work and Wages'"]

[Text] The author of the article "Work and Wages," A. Seleznev (SEL'SKAYA ZHIZN', 8 July 1983) raises an important question that requires a special approach to its resolution.

Actually, wages have been called upon to give just compensation to the worker for his labor, to give him the incentive to work better, more productively. However, in actuality, things do not always turn out that way. Why? The system of payment of labor that is currently in effect has a number of shortcomings. The chief one has been subjected to just criticism by the author of the article. His comments that pertain to the farms in Kazakhstan

which are remote from us are completely applicable also to Belgorod Oblast, where we live.

Labor productivity on the kolkhozes and sovkhozes in our oblast is still insufficiently high and fails to correspond to the requirements of the time or to the existing capabilities. And this is precisely because it is given little incentive by payment.

Everyone knows what a tremendous influence was exerted on the upsurge of labor productivity on kolkhozes at one time by the introduction there of monetary payment. However, the annually increasing shortage of manpower and its being drawn off to the side have violated the cost-accountability principles for distribution on the basis of the final results. As a consequence there has been a weakening of the interests of the kolkhoz members in the making of collective decisions. The kolkhoz members have begun to receive payment for labor not on the basis of the final result, but, rather, on the basis of the volume of operations that were fulfilled. They have begun to be unexcited about the question of what they and the farm as a whole will arrive at the end of the year with, and what will be distributed on the basis of its results.

In recent years on the kolkhozes in the oblast one has observed a stable disproportion between labor productivity and the payment of labor. For example, in 1982 the wages paid to a single kolkhoz member increased, as compared with 1975 and 1980, correspondingly 44 and 18 percent, but the production of output per average annual work increased by only 33 and 11 percent.

The shortage of labor resources encouraged people to resort to hired manpower. The managers and specialists on many farms are little concerned about the reduction of expenditures of manual labor by mechanizing it, but travel along a simplified path: if you've hired him, pay him. The bank releases credit. Why not take it? And so it has turned out that direct granting of credit, which played a tremendous role in reinforcing the material-technical base of the farms, in recent years has begun to play a negative role in the use of the principles of cost accountability.

After the May 1982 Plenum of the CPSU Central Committee, much changed for the better in the economic life of the rural areas. There was a rise in the purchase prices of agricultural products and markups were introduced for the kolkhozes and sovkhozes that were operating at a loss. In addition, the kolkhozes had extended to them the procedure that had been in effect for the sovkhozes, the procedure of financing by drawing on funds from the state budget for the construction of housing, nurseries, clubs, and other projects for social and cultural purposes. All these measures oblige the managers, specialists, and all the workers in agriculture to make the most effective use of the allocated funds by means of the most complete and most rapid changeover to scientifically substantiated systems of running the farm, the application of the collective contract, and the observance of strict economy measures.

A very important factor for increasing the self-interestedness of each worker in the overall results of labor, and in the economizing of material and labor

resources is the introduction into production of progressive forms of the organization and payment of labor on principles of the collective contract.

On the farms in Belgorod Oblast the contract form of the organization of labor began to be employed in 1979. In 1981, 278 links were worked on contracts on the fields in the oblast; in 1982, their number had grown to 537; and in the current year there are 830 of them. During the first two years of the 11th Five-Year Plan, in the oblast's links that operate without a work order, as compared with the average indicators for the oblast, the harvest yield of grain crops and sugar beets proved to be 7-18 percent higher, and the production costs per unit of output was respectively 8-12 lower for grain and 10-28 percent for sugar beets.

As has been attested to by practical life, the introduction of progressive forms of the organization of labor is becoming a general trend in the struggle to increase its productivity, to increase the volumes of production of output, and to improve its quality. However, many questions still remain incompletely resolved. On most of the farms in the oblast the material incentive funds, in accordance with the existing statute governing the payment of labor, continue to be issued at once, in the course of the fulfillment of the operations -- for overfulfillment of the production plans and the volumes of operations. During the year the material incentive funds are scattered and are not tied in with the final results. The percentage of the payment for output in the overall total of expenditures for the payment of labor on the kolkhozes in the oblast is still extremely slight. At the same time the share of the payment of labor in the gross income of many of them exceeds by many times the limits of what is permissible.

Take, for example, two kolkhozes in Krasnogvardeyskiy Rayon -- the Znamya Kommunizma and Leninskaya Iskra Kolkhozes. The management conditions there are approximately identical. However, Znamya Kommunizma has done much better work. For example, the production of gross output per 100 hectares of land there came to 37,400 rubles, whereas on the Leninskaya Iskra Kolkhoz it is 8,100 rubles less. The net income correspondingly proved to be 493,000 and 23,000 rubles; and the payment per man-day, 5.03 and 3.92 rubles. The percentage of the payment of labor in the gross income came to 58 and 192 percent. Putting it another way, the entire gross income produced on Leninskaya Iskra was "eroded" twice a year by the payment of labor. Where then could one get money for payments, for increasing and creating various funds?

We completely adhere to A. Seleznev's recommendation concerning the need to make wages dependent upon the quantity and quality of labor, making it a part of the proceeds from the sale of output. It is time for the farms themselves to earn money, to create their own reserves of funds for distribution and redistribution based on labor. From what additional source can one get wages?

It is necessary to establish the specific responsibility of the farm managers for the overexpenditure of the fund for the payment of labor, the percentage of which in the gross income should not exceed a definite level. For that

purpose it is necessary to intensify the monitoring of the quality of the preparation of the planning assignments, and it is necessary for the group of farms with regard to the payment of labor to be determined not on the basis of the planned level of production, but on the basis of the achieved level.

In our opinion, the time has come to make substantial changes in the existing statute governing the payment of labor, with the introduction of the giving of advance payments on the basis of time criteria for all categories of workers in agriculture. A definite part of the payment for labor and the entire 100 percent of all types of additional payments should be issued during the final settlement based on the results of the work periods and the year. This approach to the payment of labor and to its distribution will promote the reinforcement of labor discipline and the increase in the participation rate and responsibility of those working for the final results.

The kolkhozes and sovkhoses must have their own special accounts of monetary funds so that, as needed, they can get those funds not from the state but from their own reserves. Then there will truly be carried out the just principle of payment for labor: you will get paid for what you have created and what you have earned.

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LABOR

AGRICULTURAL LABOR OFFICIAL DISCUSSES WAGES, INCENTIVES

Moscow PLANOVYE KHOZYAYSTVO in Russian No 10, Oct 83 pp 38-46

[Article by V. Zhurikov, chief of the Main Administration for Labor and Social Problems of the USSR Ministry of Agriculture: "The Development of the Material Stimulation of Workers of Agriculture"]

[Text] The increase of the material interest of sovkhos workers and kolkhoz farmers in the increase of the yield of agricultural crops and the productivity of livestock is one of the most important conditions of the fulfillment of the tasks posed by the USSR Food Program for the Period to 1990.

The questions of the material interest of the workers of the countryside are constantly at the center of attention of the CPSU Central Committee and the government.

The wage system of the workers of agriculture is being constantly developed and comprehensively improved: the salaries and wage rates for the basic categories of personnel are being increased, fundamentally new principles, which are aimed at increasing its connection with the results of production, are being introduced in the wage system, the rights of the managers of farms and trade union organizations in wage matters are being broadened, steps are being taken on the improvement of the practice of using the established statutes on wages at kolkhozes and sovkhoses.

As a result of this the level of wages of kolkhoz farmers and sovkhos workers has increased significantly.

As compared with 1965 the wages of sovkhos workers have increased by more than two-fold, while those of kolkhoz farmers have increased by 2.4-fold. Here that portion of the wage of kolkhoz farmers and sovkhos workers, which is directly connected with the yield of the fields and the productivity of the farms, the quantity and quality of the output being produced, has increased significantly. Thus, in 1965 in the structure of the wage of sovkhos workers the supplementary payments and bonuses accounted for less than 5 percent. In 1981 the supplementary payments and bonuses of the sovkhos workers employed in plant growing had increased to 24 percent of the annual wage with respect to the rate subject to the results of production. At many farms of different zones of the country, which obtain large harvests, the supplementary payments and bonuses account for more than half of the wage.

The ratio in the levels of the wages of kolkhoz farmers and sovkhos workers has also improved noticeably. As is evident from Table 1, in 1965 the wages at sovkhoses were

47 percent higher than at kolkhozes, while in 1981 this gap had decreased to 25 percent. The higher average monthly wage of sovkhov workers stems from a number of improved indicators: labor productivity, the level of mechanization of operations, the significant proportion of machine operators, whose wages are higher than those of other categories of workers. During the 9th Five-Year Plan, for example, the average output of products per kolkhoz farmer (in 1973 prices) came to 3,346 rubles on the average in a year, while per sovkhov worker it came to 4,549 rubles, or 35.3 percent more. The fact that at sovkhoves the rate of employment of workers is greater, is also of importance. Thus, in 1981 278 workdays on the average were worked by each sovkhov worker, while 260 workdays were worked at kolkhozes.

Table 1

Average Monthly Wage of Sovkhov Workers and Kolkhoz Farmers
(rubles)

Year	Average monthly wage per worker				Sovkhozes as a percent of kolkhozes
	at sovkhoses		at kolkhozes		
	rubles	percent of 1965	rubles	percent of 1965	
1965.	75	100	51	100	147.0
1970.	101	134.7	75	147.0	134.7
1975.	127	169.3	92	180.4	138.0
1980.	150	200.0	118	231.4	127.1
1981.	153	204.0	122	239.2	125.4

The tendency for the levels of wages of kolkhoz farmers, sovkhov workers and workers of the national economy to converge has been noted in recent years. Whereas in 1965 the average monthly wage of workers of the national economy was nearly 30 percent more than at sovkhoves, in 1981 this difference had decreased to 12.5 percent.

Of the measures aimed at the increase of the material interest of the workers of agriculture, the increase of the material interest of machine operators and their attachment to farms had the greatest influence on the increase of the level of wages and the strengthening of their connection with the results of production. For this category of workers the wage rates were increased, an increment for the length of service in the specialty at a single farm was established, the wage for harvest operations increased significantly, a new classification of jobs, which envisages the increase of the material interest of tractor driver-machine operators in work on caterpillar and heavy-duty tractors, was introduced, higher rates for machine operators for the lengthening of the service life of tractors and combines and a new procedure of stimulation for the saving of fuel were introduced.

Changes were also made in the statute on the wages of stock breeders: new increased wage rates were introduced, the titles "Expert of Animal Husbandry" of class I and II with a supplementary payment in the amount of 20 and 10 percent of the wage were established, the procedure of settlement for the output was changed fundamentally and it was established that the payment for it is made in accordance with stable (fixed) rates instead of the ones which were previously revised annually; a new wage system of stock breeders, who work at stock complexes, was adopted--subject to the level of assimilation of their rated capacity. A number of steps were also taken on increasing the material interest of other categories of sovkhov workers. These measures are aimed at strengthening the link of wages with the yield of the fields and the productivity of the farms.

The rights of the managers of farms in wage matters have been broadened. In particular, the directors of sovkhozes have been granted the right: to work out the annual norms of production of the products of animal husbandry; the rates for products and the performance of individual types of operations; to establish the wage systems; to spend the assets of the material incentive fund in accordance with the indicators and conditions, which have been elaborated directly at the farm; to specify the supplementary payments and bonuses to workers for the combining of occupations and the increase of the amount of work being performed with a smaller number of employed personnel.

A fundamentally new procedure of the payment of bonuses to workers, managers and specialists of farms, as well as a number of new statutes on the remuneration of their labor and the formation of the material incentive fund have been established in conformity with the decree of the CPSU Central Committee and the USSR Council of Ministers of 14 November 1980, "On the Improvement of the Planning and Economic Stimulation of the Production and Procurement of Agricultural Products."

Prior to this the managers and specialists of the management of sovkhozes were paid bonuses for the exceeding of the plan of the sale of products; the workers, managers and specialists of departments--for the exceeding of the plan of the production of agricultural products for the link, the brigade and the department. The amount of the bonuses depended on the level of the exceeding of the plan. The lower the plan was, the more opportunities there were to exceed it and to have the guarantee of receiving a bonus. Frequently the directors of the farms tried to get understated plan indicators, easily exceeded them and received bonuses, although they did not have an increase of the production of output.

At the same time overstated plans on the production of output, which were not fulfilled, were established for some sovkhozes, and even if the farms strove for an increase of the production of output, the sovkhoz workers did not receive bonuses.

At present a new procedure of paying bonuses to the managers and specialists of sovkhozes has been introduced:

for each percent of the obtained increase of the volume of sales (production) of agricultural products as compared with the average annual level, which was achieved during the preceding 5 years, in the amount of up to 2 percent of the annual wage with respect to the salaries;

for each percent of the obtained increase of the profit as compared with the average annual level, which was achieved during the preceding 5 years, in the amount of up to 2 percent of the annual wage with respect to the salaries;

for the obtaining of a profit;

for the decrease of the loss at unprofitable sovkhozes in the amount of up to 5 percent of the decrease of the loss as compared with its average annual amount during the past 5 years on the condition of the increase of the production of agricultural products as compared with the indicators during this period.

The new conditions of the payment of bonuses are enhancing the stimulating role of bonuses in the increase of the production of output and the profit and are prompting

the managers of all farms to seek reserves of the increase of the production of output and production efficiency, and not to fight for understated plans, as was previously the case. In case of such a procedure the managers and specialists of the farms, which increase the production of products of farming and animal husbandry, will receive bonuses. This is especially important for the Nonchernozem Zone and several other regions, in which the managers and specialists of farms during the past 10 years, as a rule, have received too few bonuses or not at all, although there was an increase of production.

It was established that the bonuses to management personnel and specialists for the increase of the volume of the sales (production) of agricultural products will be credited on the condition of the fulfillment of the established plan of production in physical terms with respect to grain and meat, and at specialized farms, moreover, also with respect to the products of the basic sector. In exceptional cases with the permission of superior organizations these bonuses can also be paid in case of the nonfulfillment of the indicated plan, but in the amount of not more than 50 percent of the established amounts. Prior to 1980 in case of the nonfulfillment of the plan of the production of grain and meat in physical terms, and at specialized sovkhozes also with respect to the products of the basic sector the managers of the farms were deprived of bonuses in full.

The payment of bonuses to the specialists of farms can now be carried out in accordance with the results of the work of the corresponding sectors and production sections, in which they are employed. This will promote the adoption of a shop structure of management at sovkhozes and the increase of the responsibility of specialists for their sectors.

Substantial changes have also been made in the conditions of the payment of bonuses to and the wages of sovkhoz workers. The managers of the farms have been granted the right to elaborate themselves the indicators of the payment of bonuses to workers with allowance made for the specific nature and the specific conditions of production, so that the stimulation would be aimed first of all at the steady increase of the production of output, the increase of labor productivity, product quality and the other indicators of work. Previously the workers were paid bonuses everywhere for the exceeding of the plans of production.

The experiments conducted prior to this at the sovkhozes of Estonia and at many farms of other republics showed the great effectiveness of the payment of bonuses in accordance with the terms elaborated directly at the farms.

Thus, the conditions of the payment of bonuses, in case of which the amount of the bonuses increases as the yield of the fields and the productivity of the farms increase, have given a good account of themselves. This method is simple, comprehensible and highly effective, since the principle: the more products one has produced, the greater the amount of the bonus is, is strictly maintained here.

The titles "Expert of Plant Growing" of class I and II with a supplementary payment to the people, on whom this title has been conferred, of 20 and 10 percent of the wage. The conferring of this title on workers of the leading occupations in plant growing corresponds to the increase of the skill of their labor and, consequently, its effectiveness.

For the purpose of increasing the interest of machine operators in speeding up the work on the procurement of fodders and improving their quality the wages in these operations have been increased significantly.

For the increase of the interest of the labor collectives of sovkhoses and other state agricultural enterprises in the acceleration of the growth of labor productivity and for the purpose of decreasing the need for personnel the sovkhoses and other state agricultural enterprises have been granted the right to pay by means of the saving of the wage fund, which has been obtained as against the established standard or the planned wage fund, increments to the wage rates and salaries:

to workers for the combining of occupations and the performance of the established amount of work with a smaller number of workers--in the amount of up to 75 percent of the rate (salary);

to engineering and technical personnel and employees for high skills--in the amount of up to 50 percent.

Here, in essence, the basic provisions of the Shchekino method are being developed. Great tasks on the increase of labor productivity have been posed for agriculture, while stimulation in accordance with this method, as experience shows, is quite effective. It is expedient for the managers of agricultural organs to be guided by the measures which are aimed at the stimulation of the increase of labor productivity.

The procedure of the formation of the material incentive fund at sovkhoses has been changed. The stimulating effect of these assets on the results of production depends in many ways on how correctly they are formed and used. At present the material incentive fund is formed in accordance with standards, which have been stable for a number of years, and is connected with the increase of the production of output, which increases greatly the interest of farms in the increase of production efficiency.

At sovkhoses and other state agricultural enterprises the indicated fund is formed in accordance with standards which have been established: as a percent of the profit; for each percent of the increase of the volume of production of the gross agricultural output as compared with the average annual level which was achieved during the preceding 5 years; for the obtaining of a profit.

The material incentive fund at economically weak sovkhoses is being formed in a new way. At sovkhoses and other state agricultural enterprises which have a low profitability and are unprofitable (in accordance with the lists approved by the councils of ministers of the union republics) the material incentive fund is formed so that up to 0.3 percent of the amount of the annual planned wage fund is deducted for each percent of the increase of the volume of production of the gross agricultural product as compared with the average annual level which was achieved during the preceding 5 years; 15 percent of the total amount of the decrease of the loss is deducted for the decrease of the loss as against the average annual level during the preceding 5 years, while in case of the obtaining of a profit the deduction is made in accordance with the standard which has been established for the obtaining of a profit. Such a procedure interests economically weak farms to a greater extent in the increase of the production of output.

The ministries and departments, in the jurisdiction of which there are sovkhoses and other state agricultural enterprises, have the right to differentiate the amounts of the deductions for the material incentive fund with respect to the farms subordinate to them with allowance made for the production conditions.

The new statute "On the Payment of Bonuses to the Workers of Trusts, Sovkhoses, Administrations (Production Administrations) of Agriculture of Rayon Soviet Executive Committees, Oblast Soviet Executive Committees and Kray Soviet Executive Committees, the Ministries of Agriculture of the Autonomous Republics, the Separate Staff of Production Associations in Agriculture and Agro-Industrial Production Associations" has been put into effect. The managers and specialists of trusts and administrations are paid bonuses in accordance with the results of the work of the farms subordinate to them for the achievement of the same indicators, in accordance with which the workers of sovkhoses are paid bonuses; for the increase of the sale of agricultural products and the profit as compared with the average annual level, which was achieved during the preceding 5 years, and the obtaining of a profit.

The bonuses, which are paid to the management personnel and specialists of the trusts of sovkhoses and administrations (production administrations) of agriculture of the rayon soviet executive committees, are increased by 30 percent, if all the enterprises subordinate to them fulfill the plan indicators on the volume of production of the gross agricultural output. If less than 80 percent of the enterprises fulfill these indicators, the bonuses paid to the indicated personnel are decreased accordingly by 30 percent.

Thus, at present a uniform procedure of the payment of bonuses to the workers of sovkhoses and management organs has been established in agriculture. Experiments have shown that the new conditions of stimulation interest the workers of sovkhoses to a greater extent in the increase of the production of output and the increase of its efficiency; the managers of the farms have begun to devote more attention to questions of economics and to the improvement of the organization of production.

At the May (1982) CPSU Central Committee Plenum the questions of increasing the material interest of the workers of agriculture underwent further development. First of all a number of fundamentally new provisions, which are aimed at the increase of the material interest of the workers of farms in the introduction of the brigade contract, as well as the elimination of the shortcomings, which exist in the job contract plus bonus wage system, the increase of its effectiveness and its simplification, were introduced in the wage system. The salaries of sovхоз workers were increased, a number of other questions of the wages of workers of the countryside were settled.

The job contract plus bonus wage system has been used in agriculture since the early 1960 for the remuneration of the labor of workers of plant growing, as well as of those sectors of animal husbandry, in which products are received by periods or once a year (sheep raising, the raising of young livestock and poultry, the fattening and pasturing of livestock and poultry, fur farming).

The remuneration of the labor of workers in case of the job contract plus bonus system is carried out in accordance with rates per quintal of products or their value in monetary terms. The rates for products are drawn up at the farms. They are determined on the basis of the established annual plan of the production of

output and 125-150 percent of the planned base wage fund with respect to the brigade, the detachment and the link. The specific amounts of the increase of the base fund for the calculation of the rates for products within the limits of 125-150 percent of the base fund are determined in conformity with the model statute on the wages of sovkhos workers and the recommendations of USSR Ministry of Agriculture on this question.

Wages are issued to the workers (as an advance) prior to the settlements for products at the expense of the payment for products according to piece rates for the amount of performed work (plowing, sowing, harvesting and others) on the basis of the wage rates or on a time basis for the worked time.

The job contract plus bonus wage is being used extensively at farms of different regions of the country. In our opinion, it is necessary to group with the positive aspects of the job contract plus bonus system the fact that it grants extensive rights of the managers and specialists of farms in wage matters. The technology of cultivating agricultural crops and, consequently, the job contract wage fund are determined at the farm. The managers and specialists of the sovkhoses establish the output norms and piece rates for all types of jobs, as well as the rates for products.

The job contract plus bonus system has given a good account of itself under the conditions of the cost accounting management of the farm. All the expenditures on the remuneration of the labor on the cultivation of agricultural crops are included in the job contract fund of the payment for products, which is established for the brigades and links. The workers are interested in obtaining larger crops with fewer expenditures, since at the end of the year they receive more supplementary payments for the products. This is advantageous to the workers, the farm and the state.

Such remuneration of labor also stimulates the increase of product quality, since for the workers employed in plant growing and animal husbandry it is made per quintal (unit) of products with allowance made for their quality. Consequently, the managers of the farms, when determining the rates for products for the wages of the workers, should establish them while directly attention to the specific product quality. The more high quality products there are, the greater the wage of the worker is.

The practice of using the job contract plus bonus wage system at sovkhoses attests that given the proper conditions (optimum planning, progressive forms of the organization of labor, good accounting, zones of stable farming) a stable interest of the workers in the results of labor is ensured.

At the same time until recently the job contract plus bonus system also had substantial shortcomings which decreased its effectiveness. The point is that the rates for products for the remuneration of the labor of the workers employed in plant growing and animal husbandry are determined in case of the job contract plus bonus system on the basis of the established annual plan of the production of output. But the plans of the production of output, as a rule, are revised at the farms annually and most often upward. In conformity with this it was also necessary to change the rates for products.

Previously with an increase, for example, of the planned yield of cereal crops for the brigade from 25 to 26 quintals per hectare and an actual yield of 26 quintals per hectare the wage of the workers of the brigade decreased by more than 10 percent as compared with the wage in case of the same actual yield and the rates which were established on the basis of a planned yield of 25 quintals per hectare. Moreover, the annual change of the plans of the yield and the rates for products involved the revision of the flow sheets, which, in turn, led to a significant increase of the amount of accounting work. All this to a certain extent decreased the effectiveness of the job contract plus bonus wage system.

Fundamentally new principles, which are aimed at the increase of the effectiveness of the job contract plus bonus wage system, were established by the decisions of the May (1982) CPSU Central Committee Plenum.

The directors of sovkhozes are now permitted to establish for the workers of brigades and links, the remuneration of whose labor is carried out according to the job contract plus bonus system, stable rates for the products of plant growing on the basis of the norm of the production of products, which is elaborated at the farm. In this case during the year of settlement the norms of the production of an agricultural crop and its yield should not be less than those planned. The established rates for products in the future are revised in case of a substantial change of the level of mechanization, the production technology and other conditions.

The use of these new principles is making it possible to make the wage of workers more rigidly dependent on the yield of agricultural crops, as well as to decrease significantly the amount of accounting work and to simplify the procedure of adopting this system.

It is very important that the managers of sovkhozes are now permitted to combine the assets, which are envisaged by the prevailing statutes on wages, including the supplementary payment for products and the high quality of work, as well as the bonuses for the remuneration of the labor of workers in accordance with progressively increasing rates for products. Given such a situation the effectiveness of the job contract plus bonus wage system increases significantly. Whereas previously the workers during the year received a supplementary payment for the performance of operations within the set time and their quality and in accordance with the results of the year received supplementary payments for products and bonuses for the exceeding of the plans of production or the exceeding of the achieved level, now the opportunity exists to pay all these assets to the workers subject to the level of the yield and the rates per quintal of products.

The rates for products should not be changed annually, they can remain stable for a number of years.

For the provision of assistance to the specialists of kolkhozes and sovkhozes and the proper use of the new provisions of the job contract plus bonus wage system the specialists of the USSR Ministry of Agriculture jointly with scientists of the All-Union Scientific Research Institute of Agricultural Economics and the All-Russian Scientific Research Institute of Economics, Labor and Management in Agriculture prepared and sent to the provinces recommendations on the elaboration and use of scales of progressively increasing rates for the remuneration of the labor of the workers employed in plant growing (Table 2).

Table 2

Scale of Progressively Increasing Rates Per Quintal of the Output
of Winter Wheat and Potatoes

Winter wheat		Potatoes	
Yield, quintals per hectare	Rate per quintal, kopecks	Yield, quintals per hectare	Rate per quintal, kopecks
20.	70.6	130.	1.50
20.1-22	76.6	130.1-140.	1.61
22.1-24	82.5	140.1-150.	1.72
24.1-26	88.4	150.1-170.	1.82
26.1-28	94.3	170.1-180.	2.04
More than 28.	100.3	More than 180.	2.15

As is evident from the cited data, the rates for products increase as the yield of agricultural crops increases.

In past years the same rates were established at the farm for the brigade on the basis of the planned level of the yield and regardless of what the actual harvest was--more or less than the planned harvest; the final settlement for products was also made with the workers of the brigades in accordance with it. If we add to this that the rates were changed annually with the change of the planned yield, the advantages of stable progressively increasing rates will become even more perceptible.

With the introduction of the latter the link of wages with the obtained yield of crops and the productivity of the farms increases significantly, the interest of the workers in the end results of labor increases. With the use of stable progressively increasing rates subject to the increase of the yield the wage system is simplified significantly and becomes more effective. Moreover, it is supplemented by a number of new provisions, which are aimed at increasing the interest of the workers and specialists of farms in changing over to the brigade contract. Stable rates for products, which have been calculated on the basis of the norms of the production of products, are now being established for brigades and links, which work on a contract, as well as for all other brigades which use the job contract plus bonus system.

Along with this there is also an essential distinction. The managers of the farms are permitted to establish for the plant growing subdivisions, which work on a contract, the norm of production on the basis of the standard yield of agricultural crops, which is determined with allowance made for the technology and conditions of production on the basis of the level of the yield, which was achieved during the preceding 5 years. But in the subdivisions, which do not use the brigade contract, during the year of the establishment of the norm of production the indicators of the yield of agricultural crops, which are used for the calculation of the norms, should not be less than the plan indicators.

The amount of the payment for products is also being increased significantly for the brigades and links which work on a contract. Whereas previously the rates for the remuneration of labor for products were determined on the basis of 125 percent of the planned base wage fund, now the directors of sovkhoses subject to the level

of the yield have been granted the right to increase the planned base fund for the calculation of the rates to 150 percent.

Under certain conditions in the subdivisions, which do not use the contract, the rates for products can also be established on the basis of the planned base fund, which has been increased to 150 percent. However, in this case the amount of the increase of the base fund is regulated by the corresponding documents. For the brigades and links, which work on the basis of contract settlement, the directors of the farms do this. This step also increases the interest of workers in changing over to the contract.

The rights of the managers of the farms and collectives, which work on the basis of the brigade contract, have also been broadened in the area of the determination of the procedure and amounts of the temporary advancing of funds to the members of these collectives during the year--before the obtaining of the products. The amount of the advance can now be determined on the basis of the total amount of wages, which is envisaged according to the flow sheets for operations on the cultivation of the agricultural crops which have been attached to the brigade, the detachment and the link. The procedure of advancing assets is determined at the farm at the request of the workers themselves. The managers of sovkhozes have been granted the right to establish collective rates per quintal of livestock products as a whole for the farm and brigade with allowance made for not only the basic workers, but also the auxiliary workers of the farms. Such a procedure of the remuneration of the labor for products stimulates the stock breeders to work according to the principle of the brigade contract with a smaller number than is envisaged by the norms of service.

The collectives of production brigades, detachments and links are permitted within the limit of the amounts credited to them in accordance with the results of work to determine the amounts of these incentives for each member of the collective with allowance made for his contribution to the overall results of the work.

The titles of class I and II with a wage increment in the amount of up to 50 percent for class I and up to 30 percent for class II can be conferred on the specialists who head brigades and work successfully in accordance with the brigade contract method.

In case of work in accordance with the collective contract method the importance of the advancing of assets increases substantially, although many specialists and managers of farms are not attaching the proper importance to this question. Some believe that the advance for all the members of the brigade, detachment and link should be equal, others, on the contrary, are for the differentiation of the advance. The instances when they do not consider the opinion of the members of the collective when establishing the procedure of advancing assets and the amount of the advance, are frequent.

The settlement of this question should not be routine. Given the different skill of machine operators, one must not allow leveling in the remuneration of their labor. In a number of instances the excessive differentiation of the advance is also of no benefit. In case of the determination of the advance and the distribution at the end of the year of the supplementary payments and bonuses for products the level of the advance, in our opinion, should be established with allowance made for the

individual qualities of the machine operators and should reflect the quantity and quality of the labor which is contributed by each individual member of the brigade (link) to the overall results of the work.

For example, in the link of A. N. Kolesnik of the Frunze Kolkhoz of Belgorod Oblast an equal advance in the amount of 120 rubles a month is paid to all the members of the link. At the Krasnaya zarya Kolkhoz of Svezhinskiy Rayon of Kirov Oblast the amount of the advance is differentiated subject to the types of jobs and the make of the tractors. The advance is issued to machine operators who work on MTZ tractors in the amount of 5 rubles per shift, on K-700 and T-4 tractors--6 rubles per shift, in repair work--3 rubles per shift. The supplementary payments for a class rating are added monthly to the advance. At many farms during the period of the performance of the most important agricultural operations the advance is increased with allowance made for the length of the workday.

At a number of farms coefficients of labor participation are used when distributing the supplementary payments and bonuses for products, as well as when establishing the amount of the differentiated advance. Other versions of the determination of the advance and the distribution of supplementary payments and bonuses are also used.

In conformity with the decisions of the May (1982) CPSU Central Committee Plenum the salaries of the management personnel, specialists and employees of sovkhoses have been increased on the average by 30 percent, which will bring about the convergence of the wages of the engineering and technical personnel of sovkhoses and industry.

Salaries are being increased for all categories of workers and specialists. Thus, previously there were eight groups of rates for the remuneration of the labor of the managers and specialists of sovkhoses, now there are three. Previously at the sovkhoses assigned to the eighth group the monthly salary of the director came to 160-170 rubles, now at the sovkhoses assigned to the sixth group it comes to 230-250 rubles, while at sovkhoses of the first group it comes to 330-360 rubles. The salaries of the chief specialists have been established in the amount (subject to the groups of farms) of 210 to 310 rubles a month, the monthly rate of a senior specialist--190 rubles, while that of rank and file specialists (subject to the category)--140-180 rubles. The salaries of technicians have been established in the amount of 120-130 rubles. The salaries of the managers of the departments of sovkhoses are being increased (to 190-280 rubles) subject to the groups of departments (and five of them have been established).

All these measures increase significantly the effectiveness of material stimuli, and it is very important for the managers and specialists of farms and agricultural organs to learn to use them effectively, with allowance made for the specific conditions for increasing the interest of sovkhos workers and kolkhoz farmers in the increase of the production of agricultural products.

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DEMOGRAPHY

PEREVEDENTSEV, VOLODARSKIY DISCUSS DEMOGRAPHIC POLICY

General Problems Outlined

Moscow SOTSIALISTICHESKAYA INDUSTRIYA in Russian 9 Jun 83 p 3

[Article by Candidate of Economic Sciences V. Perevedentsev (Moscow): "Demographic Policy"]

[Text] Much is being said today about the unfavorable demographic situation. The shortage of manpower resources is worrying managers, while the situation with the growth of the population is worrying demographers. The essence of the present demographic situation consists in the fact that we have shifted to the contracted reproduction of the population: fewer children are being born than there are parents.

The demographic situation has many aspects. One of them is the economic aspect. During the current 15 years, counting up to 1985, the population from 20 to 60 years old (and this is actually working age) will increase by 30 million. But during the following 15 years the increase will come to less than 5 million. And this is not a forecast, but an exact calculation. Everyone who will enter working age before the end of the century has already been born, and there is nowhere to get additional manpower resources. The rapid aging of the population, that is, the increase of the proportion of middle aged (60-75 years old) and elderly people (over 75 years old), will also have a negative effect. The number of nonworking retirees in society will thereby increase. I will note: the sole cause of the aging of the population is the decline of the birth rate, and not the increase of the life expectancy, as many people incorrectly assume.

In order to change such a demographic situation, the 26th CPSU Congress outlined a set of measures which are aimed at the increase of the birth rate and the improvement of the conditions of the rearing of the rising generation. I will recall it in brief. Partially paid leave has been established for mothers who have a child up to the age of 1 year. And unpaid leave--up to 1.5 years. One-time monetary grants in case of the birth of a child have been introduced. The monthly grants to single mothers have been increased by fourfold. Children's preschool institutions are being developed intensely, there are more groups with an "extended" and "full" day at schools. Undoubtedly, these measures will have a beneficial effect on the demographic situation.

And such influence is extremely necessary. And the stronger it is, the better. It has been calculated: for the assurance of the simple reproduction of the population it is necessary that there would be approximately 260 children per 100 families which can have children. On the average a family with three children is necessary for the optimum, moderately expanded reproduction.

Such are the calculations of specialists. But what is the case in practice? In recent decades we have been shifting quite rapidly to the small family. Studies show: in large cities half of the women wish to have only one child each, while there are only a few percent of those who would like to have three and more children.

What are the reasons here? Most often they name three, it would seem, main factors: the level of income, the housing situation and the lack of places at children's pre-school institutions. This is an entirely incorrect explanation! And here is proof of this. In the 1950's, when the level of the birth rate did not cause anyone alarm, the situation with income, housing, kindergartens and nurseries was incomparably more acute. Demographers therefore assert: the more rapidly the standard of living of a given category of the population increases, the more appreciably its birth rate declines. Hence the truly main reasons are also inferred--the decrease of the death rate, the change of economic relations in the family, the increase of education, the increasing level of employment of women in social production. Now let us examine them in more detail.

A few decades ago child mortality was very high, and parents not without reason feared lonely old age. I will recall that back in 1940 out of every 1,000 babies 182 did not live to the age of 1 year. By the middle of the 1960's child mortality had been reduced to less than one-seventh. The firm conviction that an only child would be their support emerged among parents.

In the recent past children, especially sons, were actually the only benefactors in old age. Now middle aged people live on their own pension. On the other hand, the expenditures of the family per child have increased substantially, and children continue to be dependents usually to the age of 18-20, or else longer. Frequently children do not repay their "debts" to their parents, and their economic interest in the children, it appears, has disappeared.

The following regularity has also been known for a long time: the greater the education of the parents is, the fewer children they have. This, undoubtedly, is connected with the change of the notions about the desirable way of life. And education in our country has not simply increased--it has taken off rapidly. Moreover, today practically all women are employed in social production. And working women, and this is once again well known, have fewer children than housewives.

Note that a paradox seems to occur: the well-being is increasing, education is increasing, social activeness is as well, but the birth rate is decreasing, and conditions, which could in the future limit the possibilities of the dynamic economic development of society, are thereby being formed wittingly or unwittingly. What, you will ask, is the solution? Apparently, it is necessary to create different stimuli of the increase of the birth rate in place of the lost stimuli.

What are these stimuli? For the demographer it is obvious that the overall increase of the standard of living cannot lead automatically to an increase of the birth

rate, although many see a means precisely in this. But the relative improvement of the material status of large families and the creation for them of preferential conditions of social service can yield abundant demographic results.

At present one-child families have an obviously privileged economic status. The average income per family member is approximately twofold greater than that in families with three children. The appearance of each subsequent child decreases the standard of living, and in large families this decrease proves to be sharper.

Of course, whether to have children, how many and when is a matter of each person. It is a question here of something else--the creation of an economically privileged status for those who want to have more children.

Such an approach, I believe, is entirely justified. With respect to special cases it is possible, of course, to argue, but today it is obvious to many: whereas previously the family bore all the expenses on the rearing of children and all the fruits of such expenses remained in the family, now the family, it can be said, does not receive an economic return from children. And the family expenditures on their rearing, in spite of the enormous contribution of the state, are still significant. And, if you think about it, children are economically more necessary to society than to the family. Therefore the labor on their care, their support and rearing should be paid for like any socially useful labor. Society should also pay for children today! Only in this way is it possible to eliminate the economic obstacles which are checking the increase of the birth rate.

It would also be useful to equalize the possibilities of large families with small families in the organization of vacation. The entire system of organized vacation for many decades was arranged in terms of the single vacationer. In recent times they have begun to talk about the family vacation. But by this they understand a vacation on a double travel authorization: spouses, a mother with her daughter, a grandmother with her grandson. Is this really a family vacation? A family of five arrived at one of the family vacation hotels on the Riga seashore. What a panic there was! They were able all the same to organize a vacation for this family, and then they took pride in this as a great achievement. Although this holiday hotel had been intended for 15 years already precisely for family vacations.

Each year there are more and more people who wish to vacation comfortably as an entire family. And here, too, it is necessary to place large families in a privileged position. For the present do not come to holiday hotels with three children! I will note: among needs the modern city dweller places a long summer vacation in second place, immediately after housing.

Another means is the easing of the situation of the woman who is a mother, especially the working mother. The modern woman works on the job and at home not less than 12 hours a day. Given such overloading, to have another child means to saddle oneself with additional and considerable work.

Do not think that demographers are against women working in social production. They are merely against the daily double workday of a woman. The overloading of women is connected first of all with the traditional division of household affairs between spouses. The modern young, educated, independent woman demands actual equality with her husband, including the equal division of household affairs. Men, however,

obviously do not want this and respond with difficulty to education. Women are rebelling to such inequality in the family, and this is one of the main causes of the conflict of the present family, its instability and the large number of divorces. In recent years, please note, there has been one divorce for every three marriages.

A few words about another reason--the poor preparation of young people for marriage and parental duties. Previously the family traditionally fulfilled this task. Now it is not coping with it. But it is necessary to educate the rising generation in the spirit of the complete social equality of the sexes, and not formal equality in accordance with the law, on which, unfortunately, the mass media constantly go wrong.

I have spoken only about the most obvious and clear problems. Undoubtedly, demographers still do not know much that is important in the area of the reproduction of the population, to which the errors in forecasts attest. The development of demography and the sciences related to it--sociology, social psychology--is necessary. Unfortunately, in our country hardly anyone is studying the multiaspectual problem of the reproduction of the population. Incidentally, before the war there were two academic institutes of demography. But now the forces of demographers are so disconnected that it is difficult even to speak of possibilities of creating a comprehensive goal program of the optimization of the demographic development of the country.

Reproduction Versus Growth

Vilnius SOVETSKAYA LITVA in Russian 28 Aug 83 p 4

[Article by V. Perevedentsev: "Papa, Mama and Three Children"]

[Text] The journal ZHURNALIST--a publication of the newspaper PRAVDA and the USSR Union of Journalists--enjoys great popularity. It is meant for not only the workers of the means of mass information and propaganda, but also workers, rural correspondents, party workers, scholars, experts of culture and the broadest group of readers. On its pages vital questions of economics and science, culture and daily life are systematically covered, detailed information on the phenomena, processes and trends of modern reality in all their diversity is given.

The section "The Planet," in which the essays, articles and pamphlets of Soviet international affairs journalists and prominent foreign journalists are published, is represented extensively in ZHURNALIST. Considerable space in each issue is allotted to the letters of readers. The section "Response," which is a direct embodiment of the link "journalist--reader," has such permanent headings as "A Trip in Accordance With a Letter," "Reactions," "The Mail" and "The Reader Asks."

Among the publications of ZHURNALIST the materials on family themes enjoy great popularity. Today we are publishing in an abridgement the article of well-known Soviet demographer V. Perevedentsev, "Papa, Mama and Three Children," which will be published in the ninth issue of ZHURNALIST.

...I will take the opportunity to recall what the reproduction of the population is and what the difference is between it and the growth of the population.

Reproduction is the replacement of one generation, the generation of parents, by another generation, the generation of children. If 1,000 children, who have survived to parental age, succeed 1,000 people of the generation of parents, this will be simple reproduction, if more do, this will be expanded reproduction, if less do, this will be contracted reproduction. In case of simple reproduction, if it exists for quite a long time, the number of births and deaths will become equal, that is, the population will cease to grow, while its age and sex structures will be constant: the population will become, as demographers say, stationary, constant in size and composition.

The growth of the population is the simple quantitative preponderance of the number of births over the number of deaths. If the population is demographically relatively young and in its composition the proportion of the young ages is large, while the proportion of old ages is small, considerable growth can also occur temporarily in case of contracted reproduction. Such a situation now exists in our country, since in the population the proportion of the people, who were born in the 1950's and are now at the age of the highest birth rate, is very large. This phenomenon is short-term. In the second half of the 1980's the growth, if the birth rate does not increase substantially, may decrease sharply.

Some authors believe that the population is aging due to the increase of the life expectancy.

Is this so? Let us look into this together.

The population ages in case of a decrease of the birth rate and a decline of the indicators of reproduction, that is, when in its composition the proportion of middle aged (from 60 to 75 years old) and old people (over 75 years old) increases and the proportion of children and young people decreases.

In recent decades the population of the USSR has aged appreciably. The reasons for this are frequently explained incorrectly. The idea of the individual person is carried over to the population as a whole. The older the individual person becomes, the longer he lives, and it seems natural that the older the entire population will be, the longer the length of the average life will be. And therefore the population grows older due to the decrease of the death rate, that is, the increase of the life expectancy.

In reality everything is the opposite. Due to the decrease of the death rate the population should become younger. The point is that the increase of the length of life occurs primarily due to the decrease of child mortality. While the decrease of child mortality influences the population in exactly the same way as the increase of the birth rate--in the population the number and proportion of children and young people increase. I will note that the decrease of mortality at older ages was comparatively small, while at old ages it practically did not exist (those, who lived to be 80 at the end of the last century and live to this age now, could and can additionally live the same number of years). Therefore the influence on the population of the decrease of mortality at younger ages is much more significant, and if the birth rate had not declined, the population would have "grown younger."

I will begin with the present demographic situation. It is characterized by quite low indicators of the reproduction of the population and, moreover, by their decrease for the country as a whole. As studies show, since approximately 1970 a situation formed, when the children being born became insufficient for the quantitative replacement of the generation of parents. Such contracted reproduction is especially characteristic of the RSFSR, the Ukraine, Belorussia and the Baltic republics.

All demographers agree that contracted reproduction is very undesirable. If it is maintained for a long time, the population will begin to decrease and will age greatly. If only simple reproduction is necessary, while moderately expanded reproduction is even better, the optimum version is as follows: approximately 1,200 children should succeed every 1,000 people of the generation of parents.

For simple reproduction it is necessary to have approximately 260 births per 100 families which can have children. Why not 200? Because not all women can have children, fewer girls than boys are being born, a portion of the children do not live to parental age. Simple reproduction would be ensured in such a case, for example, if 60 percent of the fertile families had 3 children each, while 40 percent had 2 children each. While the family with three children on the average is necessary for the optimum reproduction. This is an exceptionally important point. It is frequently not understood or, even when understood, is underestimated. In the interesting series of television movies "The Family Circle" one of the movies is titled "The Third Is Not Excessive," while in reality the third is "necessary."

Unfortunately, we are shifting quite rapidly to a situation, in which families with one or two children predominate. Special surveys have shown that in large cities one-half of the women wish to have only one child, while the other half wish to have two; only 3-4 percent of the women would like to have three and more children. These aims are spreading more and more extensively, gradually encompassing small cities and workers' settlements. For the present the countryside, where the reproduction of the population is greatly expanded, is rescuing us. In the villages of Central Asia there are still many large families. (In demography the families with five and more children are considered large. In the urban way of life they often consider the family with three children to be large, which, of course, is incorrect. Even families with four children are the same families "with the average number of children.")

The question: How is one to treat a large number of children? is frequently discussed in the press. In the present demographic situation large families are very useful; without them the indicators of reproduction would be even lower. The number of truly large families is decreasing rapidly. In 1975 751,000 mothers with 7 and more children received a monthly state grant, while in 1981 586,000 did; with 6 children, respectively 430,000 and 301,000, with 5--583,000 and 449,000. Even in the villages of Central Asia there are fewer large families....

Apparently, the family made up of: "papa, mama and three children," must be promoted more actively. This is a more realistic means to the possible decrease of a small number of children. It is difficult to combine a genuine large number of children with successful work in social production, which for the modern, educated, emancipated and skilled woman, as studies show, is necessary.

Sometimes readers reproach authors who advocate a third child: "Here you campaign for the family with three children, but the conditions for this do not exist." Meanwhile, demographers are not so much campaigning as stating: the third child is necessary for the simple reproduction of the population. This is an objective law. Of course, specific conditions, but frequently not at all the ones about which the nonspecialist reader is thinking, are necessary for the increase of the birth rate. It is customary to believe, for example, that the birth rate is governed by three circumstance: income, the apartment and children's preschool institutions. The larger the wage is (the better housing is, the more places there are in children's institutions), the higher the birth rate is. Alas, this is a mistake. Demographers are well aware that the higher the standard of living of a given category of the population is, the lower its birth rate is. And the nonspecialist knows that the standard of living in the 1950's was much lower than the present standard of living, while there were many children and the problem of the birth rate did not exist. So "common sense," which assumes that an increase of wages also leads to an increase of the birth rate, lapses into error.

What are the main causes of the decline and the present low level of the birth rate?

If we speak generally, the main causes are rooted in the demographic revolution which is occurring in our country.

The demographic revolution usually begins with a decrease of mortality, following which, with some delay, the birth rate also declines. In this case the decrease of mortality acts as one of the main causes of the decrease of the birth rate. Another most important cause is the change of the economic relations between generations in the family. A third cause is the participation of women in social production. Further there is the increase of the level of education; the reorganization of the system of values and so on.

Let us explain these points very briefly.

Given the former high mortality parents risked remaining alone in old age, if they had few children. By the middle of the 1960's child mortality had decreased sharply. While the average length of life increased from 47 years during the prewar years to 70. This, undoubtedly, is our enormous achievement. Now parents validly believe that even an only child will survive his parents. Thus a mighty, in our opinion, stimulus of the birth rate was eliminated.

In the recent past children, especially sons, were the only benefactors of parents in old age, a guarantee of a specific well-being. Now aged parents live on a pension. The economic need of the family for children disappeared. While, apparently, two children or even one child are enough for other needs. Children are economically more necessary to society than to the family. For among the people as a whole children remain the collective benefactors of old people.

It is well known and has been known for a long time that nonworking women have considerably more children than women employed in social production. The especially rapid decline of the birth rate in our country coincided in time with the increased involvement of women in social production in the 1960's. The strong influence of a job on the number of children is also connected, undoubtedly, with everyday difficulties, with the large expenditures by women of time and efforts on household affairs.

The level of education in our country has increased extremely rapidly, in the past 10-15 years it has simply "taken off." The level of the birth rate is very closely connected with education: the higher the education is, the fewer children there are. This stems, undoubtedly, not only from the new roles of the educated person in production and society, but also from the change of the ideas about the desirable way of life and standard of living, the change of the system of values; children in the new system are coming down from their top place.

As we see, the basic causes of the decline of the birth rate in themselves are very progressive, but as a result the old stimuli of the birth rate have disappeared, while new ones, apparently, have not appeared.

Let us add to this that radical changes have occurred in the family itself, its type has changed and is changing. From what and to what is this shift occurring here?

First, from the patriarchal family, with the clear-cut supremacy of the oldest man in the family, to the family in which the spouses are more or less equal, to the biarchate (bi--two, arch--power) family.

Second, from the family, in which the functions of the spouses were clearly divided (the husband is the worker, the provider, the breadwinner; the wife is a housewife and teacher), to the family in which the functions of the spouses are "blurred": the wife has become the same kind of worker and breadwinner as the husband, although her household duties remained almost entirely attached to her; the latter circumstance is one of the main causes of the present increased conflict in the family.

Third, a shift is occurring from the large, undivided family, which consists of representatives of several generations, to the small family, which consists of only the parents and their children.

Fourth, from the family, in which there were as many children as "God sent," to the family in which there are as many children as the couple themselves wished.

This shift is occurring under the aggregate influence of the entire system of socio-economic relations; it is inevitable, and the attempts to find an ideal, which is acceptable for the present, in the past are, in my opinion, completely groundless. To move forward with one's face turned back is to run the great risk of stumbling.

However, the shift from one type of family to another is still far from complete. The new family predominates in the large cities of the European part of the country, the old family predominates in the villages of Central Asia.

In many instances specific families are at different stages of the shift. They have set off from one shore, have not yet put in to the other, some principles have been broken, others have not yet been found; worldly storms blow them about more strongly, the more the ideas about family life differ.

Under these conditions assistance to the family in the process of this shift and the firm establishment in family life of what is new and progressive seem to me to be one of the most important functions of the means of mass information and propaganda.

The greatest difficulties in family life, which strongly affect the birth rate and the rearing of children, are the difficulties of the shift to the actual social equality of the sexes, particularly to the equal participation of spouses in household labor.

It is well known that the modern family is in conflict and is unstable; statistics attest best of all to this: In a year the number of divorces comes to more than a third of the marriages which were contracted during that year--there was never such a thing in the history of the country.

The center of the conflicts, which lead to divorce, is found in the distribution of household affairs between the spouses. Special studies show that men spend on household affairs from one-third to two-fifths as much time as their wife; men have much free time, and a portion of them do not know how to manage it. Nevertheless men, like women of the older generations, are inclined to maintain the old situation, when all the household work was performed by women. Although some changes are also occurring here, they are occurring slowly and not in all social strata; the changes are occurring most rapidly among the intelligentsia and skilled workers.

Serious intrafamily conflicts are also connected with the fact that young men have lagged substantially behind women of their own age in education and, apparently, in the level of culture. In our country there are many families in which the wife has a higher education, while the husband has a secondary education, the wife has a secondary education, while the husband has an incomplete secondary education; moreover, in case of an identical formal level of education the actual education of women is usually higher (they know more and know it better). A certain portion of the women are discontent with the cultural level of their husbands, their narrow world outlook, narrow interests and so on. The elimination of male "undereducation" is a matter, which is very important in many respects and is extremely useful for the strengthening of the family, the harmonization of family life....

One of the important problems, which are inseparably connected with the birth rate and the reproduction of the family, is the problem of the improvement of daily life in general, its facilitation, the decrease of the time and efforts on managing household affairs

All the sectors of the sphere of service of the population should, in addition to the fulfillment of their specific tasks, save the time of clients. However, time is in practice not included in the system of criteria of the evaluation of the activity of some enterprises and institutions or others. Thus, having turned in a thing for repair, a person is frequently forced to come repeatedly to the workshop, since they do not have time to perform the work by the date written on the receipt. Another such case is the wasteful spending of the time which all of us, and especially married women, do not have enough of.

It seems that the questions of saving the time of clients also do not worry very much the designers of personal service and trade enterprises. For which self-service department stores seem to have been well planned! Here is where, it seems, it is possible to save a lot of time. In some 10 minutes you gather in a basket everything you need and can stand half an hour at the checkout, because half of the checkouts are not working. And then it is necessary to go to the bus, wait for it, ride to one's stop and to walk home. The self-service department stores are

immense and are designed for many tens of thousands of customers a day. And very many people are forced to get to the self-service department stores from far away. For this it is necessary to have 1.5-2 hours. Probably these enormous stores are advantageous to trade. But it would be more advantageous to shoppers if these stores were a bit smaller, but were spaced a bit more frequently. And more advantageous, incidentally, for society as well. Even on a purely economic level. Economists and sociologists are well aware that an hour of free time "is worth" about 1 ruble.

I am thoroughly convinced that the improvement of our daily life and the decrease of the time for everyday needs are one of the main directions of the improvement of the demographic situation; without success in this matter it is difficult to count on third and subsequent children in urban families.

But no matter what gains we might achieve here, the problem of the distribution of household affairs among the members of the family will remain. I believe that here great changes could occur as a result of the school education of the rising generation in the spirit of the complete social equality of the sexes (and not equal rights, on which we are constantly going wrong, that is, equality according to the law, legal equality). In general it seems that in school it has long been time to introduce special academic subjects, which are aimed at the preparation of boys and girls for future family life, since the present family is obviously not coping with this most important matter. The questions of introducing special subjects in the school programs have been repeatedly posed in the press. It seems that the matter has gotten moving. At some schools they are taking a course in the ethics of family life, true, for the present as an experiment and an elective. Experience is being gained. But the difficulties are great and obvious: there are no tested programs, no textbooks, trained personnel.

Sociologists and journalists are devoting much attention to the questions of the organization of an acquaintance service. There are almost no statements against such a service, there are a large number of statements "in favor," but the matter is progressing slowly. But meanwhile in the country there are extremely few repeated marriages as compared with the number of those who could enter into them. The difficulties of acquaintance for not too young people is one of the main causes of such a situation. The increase of the number of repeated marriages (given the present mass divorces) is a large and realistic reserve of the increase of the birth rate.

A most substantial question of demographic policy is the equalization of the status of the family with three children and the family with one child.

At present it is economically advantageous to the family to have one child. The per capita income in a family with one child is approximately twofold greater than in a family with three children. Everyone is well aware that the appearance in the family of another child means a decrease of well-being. But one must also understand another thing: children are economically more necessary to society than the family. Therefore it is necessary to strive to eliminate the economic obstacles of the birth rate. It would also be worthwhile to think about the preferential provision of comparatively large families with housing, about a better family vacation for them than now and about certain measures in trade.

As studies show, at present city dwellers among their needs put in first place housing needs, and immediately after them vacation. The entire system of our vacationing was created in terms of the single person. Although in recent years much has been said about the family vacation, there are almost no conditions for it. By a family vacation they usually understand a vacation on a "double" travel authorization. Although there are extremely too few of these, this is, as a rule, no kind of family vacation: a mother with her son, a grandmother with her grandson, a young couple can go on vacation on a double travel authorization--only in the last case will this be a family. A vacation of a family with children is, as a rule, a vacation by "savages." But when children are vacationing, the parents become even more tired. Moreover, an unorganized vacation in our country is much more expensive than an organized vacation. And in this respect it would be necessary to eliminate the actual inequality of a family with three children as compared with a family with one child.

As the reader sees, the demographic situation is complicated, there are many demographic problems....

Sociodemographic Survey

Leningrad LENINGRADSKAYA PRAVDA in Russian 13 Oct 83 p 2

[Interview with Chief of the USSR Central Statistical Administration L. Volodarskiy, by TASS correspondent R. Akhmetov: "In the Mirror of Demography"]

[Text] The Politburo of the CPSU Central Committee has deemed expedient the conducting in 1985 of a sample sociodemographic survey of the population, while the USSR Council of Ministers has adopted the corresponding decree on this matter. At the request of a TASS correspondent Chief of the USSR Central Statistical Administration L. Volodarskiy tells about the tasks of this important state measure.

[Answer] All-union censuses are conducted regularly in our country. Their cyclicity is approximately once in 10 years. The last census was in January 1979.

The sociodemographic survey will be conducted for the first time. It will encompass approximately 14 million people who live on the territory of the USSR, except for the regions of the Far North and other places, contact with which in the winter is difficult.

The results of the survey will help to trace the changes in the composition of the population of the country since the last census, will provide planning and economic organs with valuable information, which is necessary for the drafting of the plans of economic and social development for the 12th Five-Year Plan and the more distant future. And this is very important. Speaking at the June (1983) CPSU Central Committee Plenum, Yu. V. Andropov said: "At the 26th congress we stated clearly the need to ensure the close connection of economic and social policy. This is also understandable: for the improvement of the living conditions of the people is the ultimate goal of our efforts in the economic sphere. We must learn, when drawing up our economic plans, to take thoroughly into account and to reflect in them the most important factors of the development of society--social, national, demographic."

The program of each census, as a rule, is discussed for a long time by scientists and specialists. For it concerns the vitally important interests of the working people. Whereas so far the census forms have contained not more than 18 questions, significantly more of them will be included in the program of the sociodemographic survey. In particular, we will obtain detailed information on how the level of education, the age and national structure of the population and the structure of manpower resources have changed. We will learn more precisely about the processes of the migration of people, especially from the countryside to the city, about the breakdown of the population by sources of means of existence.

New problems, the detailed study of which is of exceptionally great importance, are contained in the program of the sociodemographic survey. Thus, detailed data will be obtained on how effectively the decree of the party and government on the measures on increasing state assistance to families having children is being implemented.

As is known, the possibility of attracting new manpower resources to social production is decreasing. The forthcoming study will make it possible to characterize more completely the population, which is engaged in housework and on the private plot, with its breakdown by sex and age, and will help to determine what portion of it could work and under what conditions. It is a question primarily of housewives, who have discontinued labor activity in connection with the birth of a child, and of mothers with many children. The survey forms will show, who of them are willing to go to work, for example, on the condition of the placement of children in a nursery and kindergarten, the offering of work at home or with a partial workday. This information will provide important material for the efficient use of manpower resources.

The materials of the survey will also contribute to the pursuit of an effective demographic policy. Its goal is to ensure the normal reproduction of the population, to promote the strengthening of the family, to create favorable conditions for the combination of motherhood with the active participation of women in labor and social activity, by granting benefits to women with children and to large families.

The party and government are implementing a set of measures, which are aimed at a solution of the demographic policy. In particular, partially paid leaves for caring for a child until he reaches the age of 1 year have been established for working women. A one-time grant is paid to them in case of the birth of a child. However, owing to a number of reasons the natural growth of the population is not occurring as rapidly as would be hoped. In 1982 in the country it came to 8.8 people per 1,000 inhabitants. In the RSFSR this indicator decreased to 5.9, in Belorussia it came to 6.7. In many other republics it is higher. From the standpoint of the prospects of the development of society it is necessary to increase the birth rate and to ensure the stable reproduction of the population.

In this connection detailed information on the stability of families in the city and the countryside and on the number of marriages and divorces will be obtained during the sociodemographic survey. These questions will be studied in combination with other factors: age, the level of education, housing conditions. As is known, for the country as a whole marriage "has become younger." In 1981 half of the grooms were less than 24 and half of the brides were less than 22.5. Among a significant

portion of women children appear during the first years of married life. To help the young family to become stronger by providing good housing conditions and granting it benefits and loans is one of the most important directions of our demographic policy. The results of the survey will be used for the evaluation of the effectiveness of the measures, which are being implemented in conformity with this policy, and the elaboration of measures on its improvement.

In the scale of housing construction our country knows no equals in the world. Today about 80 percent of the urban population lives in separate apartments. However, we also have our problems. Many families for the present still live in communal apartments or rent housing from private people. The survey will help to specify the regions, to which it is first of all necessary to allocate capital for housing construction.

Of course, the importance and tasks of the sociodemographic survey are not confined to these examples, L. Volodarskiy stressed. The obtained generalized information will also be used for the accomplishment of other practical tasks. Many troubles lie ahead. Much complicated preliminary work, which the USSR Central Statistical Administration has launched in cooperation with the USSR State Planning Committee, the USSR State Committee for Labor and Social Problems, the USSR Academy of Sciences and the corresponding ministries and departments, has to be done for the conducting of the sample survey.

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